

**ASSURANCE OF DISCONTINUANCE
PURSUANT TO EXECUTIVE LAW § 63(15)
BETWEEN THE ATTORNEY GENERAL OF THE STATE OF NEW YORK, for the
PEOPLE OF THE STATE OF NEW YORK, and VDRNC, LLC d/b/a VAN DUYN
CENTER FOR REHABILITATION AND NURSING, LLC; EFRAIM STEIF; URI
KOENIG; DAVID CAMEROTA; UPSTATE SERVICES GROUP LLC; 5075 WEST
SENECA, LLC; and UPSTATE SK LLC**

DATED: August 18, 2025

WHEREAS, the State of New York (the “State”), acting by and through the Medicaid Fraud Control Unit (“MFCU”) of the Attorney General of the State of New York (the “Attorney General”), on behalf of the People of the State of New York, commenced an investigation into the care and treatment of residents at VDRNC, LLC d/b/a Van Duyn Center for Rehabilitation and Nursing, LLC (“Van Duyn” or “Nursing Home”), and the owners, operators, and affiliated persons responsible for the conditions at the Nursing Home, pursuant to Executive Law §§ 63(12) and 63-c, the federal Social Security Act, and the New York Public Health Law (“PHL”) (the “MFCU Investigation”);

WHEREAS, at all times relevant hereto, Van Duyn is the business entity holding the New York State Department of Health (“DOH”) license to operate Van Duyn, a 513-bed nursing home in Syracuse, New York;

WHEREAS, Van Duyn has been enrolled in the New York State Medical Assistance Program (“Medicaid”) since as early as 2013, and from January 1, 2017, through July 25, 2025, received Two Hundred and Fifty-Four Million Three Hundred and Thirty-Five Thousand Nine Hundred and Forty-Eight Dollars and Five Cents (\$254,335,948.05) from this Program to provide care to its residents;

WHEREAS, at all times relevant hereto, Van Duyn has been owned and controlled by Efraim Steif (“Steif”), Uri Koenig (“Koenig”), and David Camerota (“Camerota”)¹ (collectively, “Respondent-Owners”);

WHEREAS, 5075 West Seneca, LLP (“5075 West Seneca”) is a related organization² to Van Duyn that is entirely owned by Steif and Koenig, holds title to the real property on which Van Duyn is located, and is Van Duyn’s landlord;

WHEREAS, Upstate Services Group LLC (“USG”) is a related organization to Van Duyn also entirely owned by Steif and Koenig that provides administrative and consulting services to Van Duyn, including matters related to resident care, staffing policies, and financial decisions regarding Van Duyn’s operations. Camerota is the Chief Operating Officer of USG;

WHEREAS, Upstate SK LLC (“Upstate SK”) is a related organization to Van Duyn, also entirely owned by Steif and Koenig, that Steif and Koenig represent provides Van Duyn with fiscal, general office, administration, and compliance services;

WHEREAS, the Respondent-Owners represent that they can bind Van Duyn, 5075 West Seneca, USG, and Upstate SK to all acts required under this Assurance of Discontinuance (“AOD”);

WHEREAS, the Attorney General has found that between January 1, 2014, through August 9, 2023, Respondent-Owners, Van Duyn, USG, 5075 West Seneca, and Upstate SK

¹ Camerota owns 1% of the Nursing Home due to religious law considerations and, based on the Attorney General’s findings to date, was not a straw owner through which Steif and Koenig or other persons exercised control of Van Duyn that resulted in the Attorney General’s findings of repeated and persistent fraud and illegality against Steif, Koenig and Van Duyn as set forth herein.

² Pursuant to 10 NYCRR § 86-2.26(a), a “related organization” or company is “any entity which the residential health care facility is in control of or is controlled by, either directly or indirectly, or an organization or institution whose actions or policies the facility has the power, directly or indirectly, to significantly influence or direct, . . . or where an association of material interest exists in an entity which supplies goods and/or services to the residential health care facility, or any entity which is controlled directly or indirectly by the immediate family of the operator.”

(collectively referred to herein as “Respondents”) engaged in the conduct in Paragraphs A through P set forth below as the Findings of Fact from the MFCU Investigation, which is hereinafter referred to as the “Covered Conduct”;

WHEREAS, the Respondents neither admit nor deny the Attorney General’s Findings of Fact, but in the interest of resolving the MFCU Investigation, agree to the remedies set forth in this AOD. Respondents agree that none of the remedies set forth herein violate any statutory or constitutional right of Respondents and agree that the Attorney General’s Findings of Fact and evidence of the Covered Conduct are admissible only in any proceeding by the Attorney General to enforce this AOD and/or enforce any violation of law. This AOD shall not be construed as an admission for purposes of any third-party or federal agency proceeding, as well as any other matter where the Attorney General or the Commissioner of Health are not a party.

The Attorney General’s Findings of Fact Pursuant to Executive Law § 63(12)

A. Respondents engaged in repeated and persistent fraudulent and illegal conduct in violation of Executive Law § 63(12) by repeatedly and persistently: (1) failing to deliver required care to Van Duyn’s residents, failing to operate Van Duyn with sufficient staffing to deliver required care in order to reduce expenses, and failing to limit admissions to only those residents for whom Van Duyn could provide required care in order to increase revenue, which violated state and federal regulations and caused resident neglect, abuse, and mistreatment; and simultaneously (2) engaging in significant up-front profit taking³ of One Hundred Million One Hundred and Sixty-Four Thousand and Sixty-Two Dollars and Zero Cents (\$100,164,062.00) in Medicaid

³ “Up-front profit taking” is the behavior by owners of for-profit providers of directing and accepting payments from a nursing home to its owners and related organizations through pre-determined, collusive, and self-negotiated transfers labelled as “expenses” for services or goods, and/or other transfers of funds that are designed to extract a pre-determined amount of “profit” benefitting the owners, as a priority over, and without first ensuring that the nursing home has used the public funds it receives to meet the nursing home’s legal duties to provide required care to its residents, with sufficient staffing to render such care.

reimbursement payments to Van Duyn through fraudulent schemes and deceptive conduct.

B. Respondents engaged in repeated and persistent illegality in the operation of Van Duyn through their failure to deliver adequate care to numerous of its residents, in violation of Executive Law § 63(12), by:

- a. Failing to deliver adequate and appropriate care to numerous of Van Duyn's residents, contrary to the following statutes and regulations: 10 NYCRR §§ 415.1, 415.3, 415.4, 415.5, 415.11, 415.12, 415.13, 415.14, 415.15, 415.18, 415.19, 415.22, 415.26, 415.27, 415.29, 600.9, and 702.4; 42 CFR §§ 483.10, 483.20, 483.24, 483.25, 483.35, 483.45, 483.55, 483.60, 483.70, 483.75, and 483.80; PHL § 2803-c; and Education Law § 6512;
- b. Failing to provide timely, consistent, safe, adequate, and appropriate services, treatment, and care to numerous of Van Duyn's residents, including nutrition, therapies, sanitary clothing and surroundings, and activities of daily living, in violation of PHL § 2803-d and 10 NYCRR § 81.1(c);
- c. Failing to timely administer treatments, medications, diets, and other health services to Van Duyn's residents, in violation of 10 NYCRR § 415.13(a);
- d. Failing to ensure that Van Duyn's residents are free of any significant medication errors, in violation of 10 NYCRR § 415.12(m);
- e. Operating Van Duyn with insufficient nursing staff "to assure . . . [the] well-being of each resident," in violation of 42 CFR § 483.35 and "to attain or maintain the highest practicable physical, mental, and psychosocial well-being of each resident," and with insufficient personnel on a 24-hour basis

to provide nursing care to all residents in accordance with each resident's needs, as set forth in their Care Plans, in violation of 10 NYCRR § 415.13 and 42 CFR § 483.35;

- f. Continuing resident admissions to Van Duyn even though it operated with insufficient staff to provide adequate care to all of its existing residents, in violation of 10 NYCRR § 415.26(i)(1)(ii);
- g. Failing to prevent and/or report acts of neglect against some of the residents of Van Duyn, in violation of PHL § 2803-d(7);
- h. Creating poor working conditions at Van Duyn, which include, without limitation, working conditions within the Nursing Home in which its staff were regularly or frequently: (i) assigned by the Nursing Home to perform care duties for too many residents than could be completed at a reasonable pace to provide adequate care within a given shift; (ii) required or asked by the Nursing Home to work multiple shifts during a 24-hour period; (iii) assigned to work shifts during which the Nursing Home provided insufficient RN supervision; (iv) assigned to work without having been provided sufficient training by Van Duyn to competently execute their duties; and (v) pressured by the Nursing Home to create false documentation that they or others provided services or care to any residents, or provided or received any training, when in fact said services, care, or training were not provided or received;
- i. Violating PHL § 2803-d(7), by failing to provide "timely, consistent, safe, adequate and appropriate services, treatment, and/or care . . . including but

not limited to: nutrition, medication, therapies, sanitary clothing and surroundings, and activities of daily living” to numerous residents of Van Duyn, as required by 10 NYCRR § 81.1(c); and

- j. Failing to develop, implement and enforce written policies and procedures prohibiting neglect, abuse, and mistreatment of Van Duyn’s residents and failing to report all allegations of violations of the same to DOH, as required by 10 NYCRR § 415.4, PHL §§ 12-b and 2803-d, 42 USC § 1320b-25, and 42 CFR § 483.12.

C. Respondents’ failure to fulfill Van Duyn’s legal duties to provide all required care to its residents included, but was not limited to, the following neglect, abuse, and mistreatment of numerous of its residents:

- a. Resident #1 frequently did not receive medication and treatments in accordance with the resident’s care plan;
- b. Resident #2 was repeatedly neglected during a five-week period, which was documented by a hidden camera in the resident’s room; further, from August 17, 2017–November 28, 2019, during which time Respondent-Owners operated Van Duyn with insufficient staffing and RN supervision, dozens of Van Duyn staff members falsified medical records for this resident attesting to care that was not performed or completed incorrectly, including hundreds of Medication Administration Records, thousands of Treatment Administration Records, and tens of thousands of certified nurse aide (“CNA”) records, reflecting that Van Duyn did not provide the resident with required medications and treatments during this period;

- c. Resident #3 died after Van Duyn failed to properly communicate her care plan to staff, resulting in staff failing to assist her to the bathroom, as required by her care plan. The resident fell while she was in her room and during her descent, her nightgown caught on a door handle, resulting in her death by strangulation; her position and condition went unnoticed by staff until they discovered her deceased;
- d. Resident #4 was sent to the hospital after Van Duyn failed to properly monitor and treat the resident's blood glucose levels, resulting in DOH citing Van Duyn for not ensuring the resident received treatment and care in accordance with professional standards of practice;
- e. Resident #5 suffered an infection to a surgical wound on her head, causing increased pain and requiring a second surgery to remove dead or unhealthy tissue from and around the incision site after Van Duyn failed to treat the resident per her care plan;
- f. Resident #6 suffered worsening pressure ulcers from lack of care and this resident's medical records reflect that the resident's catheter medication flush was either not documented or not administered 97 times, and the resident's saline flush was missed or not documented 159 times;
- g. Resident #7 was found deceased in rigor mortis after Van Duyn failed to appropriately address medication and care refusals, failed to appropriately assess the resident's skin upon admission and throughout the resident's stay, and failed to properly assess the resident after a fall;

- h. Resident #8 was admitted to the hospital with a diagnosis of a bacterial infection, pressure ulcers, and dehydration after Van Duyn failed to appropriately and timely respond to the resident's rapidly deteriorating condition;
- i. Resident #9 died unexpectedly after Van Duyn failed to appropriately provide care in response to the resident's rapidly deteriorating condition; the funeral home discovered pressure ulcers on the resident's body that had not been documented by Van Duyn in the resident's medical records;
- j. Resident #10 checked herself out of Van Duyn due to multiple failures at the Nursing Home, including fruit flies in food, lack of care and lack of hygiene care, lack of supplies, and overall unlivable conditions described by the resident;
- k. Resident #11 was inappropriately discharged and dropped off by Van Duyn at a Department of Social Services ("DSS") office with no identification, for which DOH cited Van Duyn with putting the resident in Immediate Jeopardy of serious injury, serious harm, serious impairment, or death ("IJ"). When the resident returned to the facility, Van Duyn refused to re-admit him;
- l. Resident #12 was also discharged by Van Duyn to DSS without identification or money and was found weeks later wandering the Interstate Highway by New York State Police. Van Duyn received an IJ citation for this unlawful discharge;

- m. Resident #13 was not provided by Van Duyn with catheter care and intravenous antibiotics as ordered by medical professionals, suffered rib fractures the cause of which Van Duyn did not properly investigate, and was malnourished at death.

D. In or about June 2019, Van Duyn was first designated a candidate for placement on the Centers for Medicare & Medicaid Services (“CMS”) Special Focus Facilities (“SFF”) list, where it still remains. This is a list of facilities that have a history of serious quality deficiencies and that have failed to substantially comply with the required standards of care to which residents are entitled. The list is limited to the worst nursing homes in the United States. Van Duyn has remained on the SFF candidate list for at least 46 non-consecutive months since June 2019.

E. Respondents repeatedly and persistently engaged in illegality in the operation of the Nursing Home by filing and/or causing to be filed claims for payment to Medicaid for unfurnished medical care and services; making or causing to be made false statements and/or misrepresentations of material fact in claiming Medicaid payments; converting Medicaid payments to a use or benefit other than for the intended use and benefit; and furnishing medical care, services, or supplies that failed to meet professional recognized standards for healthcare; all in violation 18 NYCRR § 515.2, which sets forth Unacceptable Practices under the Medicaid Program, thereby violating Executive Law § 63(12).

F. In order to conceal the Respondents’ repeated and persistent illegality, Respondent-Owners repeatedly caused the submission of false Certification Statements for Provider Billing Medicaid to DOH in which representatives of Van Duyn certified compliance with Medicaid laws and regulations and attested that services billed to Medicaid were actually rendered, thereby causing Van Duyn to repeatedly file false claims for payment to Medicaid and violating Executive

Law § 63(12).

G. Respondents Steif, Koenig, 5075 West Seneca, and Van Duyn repeatedly and persistently engaged in a collusive and fraudulent real estate scheme through which they diverted millions in Medicaid funds from Van Duyn to Steif and Koenig while operating Van Duyn in violation of state and federal laws and regulations designed to protect nursing home residents, thereby causing neglect and harm to vulnerable people who lived and died at Van Duyn and violating Executive Law § 63(12), to wit:

- a. In 2013, Respondents Steif, Koenig, and 5075 West Seneca purchased Van Duyn for under \$5 million;
- b. In 2015, Steif and Koenig took out a mortgage on Van Duyn's real property in the amount of \$37.2 million, saddling Van Duyn with that debt. In 2017, Steif and Koenig increased that mortgage by \$7.8 million, further increasing Van Duyn's debt at no benefit to the Nursing Home. The original mortgage, plus the increase, was nine times greater than the purchase price of Van Duyn;
- c. In 2018, Steif and Koenig refinanced the mortgage, causing Van Duyn to take on an additional \$1 million of debt at no benefit to the Nursing Home, increasing the total principal amount of Van Duyn's mortgage debt to \$46 million (the collective mortgage debt by which Respondents Steif and Koenig indebted the Nursing Home is referred to herein as the "Mortgage");
- d. Steif and Koenig took the Mortgage proceeds in 2015 and 2017 as profit for themselves. This conduct removed the Mortgage proceeds from Van

Duyn's use for operations, including staffing, and saddled Van Duyn with an enormous debt for which it received no benefit;

- e. In addition, Steif and Koenig repeatedly and persistently engaged in up-front profit taking by causing 5075 West Seneca to charge Van Duyn and causing Van Duyn to pay an inflated rent expense each year that exceeded the amount that was owed to pay the debt service on the Mortgage and that exceeded the average for New York State during the entire time Respondent-Owners owned the Nursing Home. This conduct resulted in Steif and Koenig depriving Van Duyn of funds it could have spent to meet its legal duties to provide all required care to its residents and to operate with sufficient staffing to deliver that care;
- f. By collusively setting an inflated rent and causing Van Duyn to pay it, Respondents Steif and Koenig engaged in more up-front profit taking from Van Duyn, above and beyond the approximately \$46 million net of closing costs that they had diverted to themselves in 2015 and 2017 by taking the proceeds of the Mortgage, at no benefit to the Nursing Home;
- g. From 2015 through 2022, Steif and Koenig had caused to be transferred a total of Eighty-Seven Million Two Hundred and Ninety-Four Thousand and Seventy Dollars and Zero Cents (\$87,294,070.00) to 5075 West Seneca through the collusive lease between Van Duyn and 5075 West Seneca, and the Mortgage debt taken out by 5075 West Seneca, and guaranteed by Van Duyn, all of which Steif and Koenig then caused 5075 West Seneca to transfer to them; and

- h. By causing Van Duyn to repeatedly and persistently fail to file financial statements for 5075 West Seneca on Van Duyn's cost reports for the period 2015 through 2021, and by unlawfully failing to seek approval from DOH of equity withdrawals from Van Duyn, Steif and Koenig fraudulently concealed the inflated transfers of funds and the entirety of the equity withdrawals from Van Duyn to themselves through their fraudulent real estate transactions.

H. Respondent-Owners, Van Duyn, and Upstate SK engaged in repeated and persistent fraudulent conduct in violation of Executive Law § 63(12) by failing to disclose Upstate SK in all of the appropriate sections of relevant Cost Report filings with DOH, including Prefatory–Schedule 5–Ownership Information Related Companies, Schedule 16, and repeatedly and persistently failing to file with DOH Upstate SK's Part III financials for the years 2014, 2016, and 2017, despite Van Duyn paying Upstate SK \$2 million in 2014, \$2.5 million in 2016, and \$1.2 million in 2017 for purported services rendered.

I. Steif and Koenig engaged in repeated and persistent fraud and illegality in violation of Executive Law § 63(12) by repeatedly and persistently failing to seek approval from DOH for withdrawals of equity or asset transfers in excess of 3% of Van Duyn's total reported annual revenue for patient care services, as required by PHL § 2808(5)(c), including in the form of transferring to themselves the proceeds of the collusive and self-dealing Mortgage that they required Van Duyn to take out.⁴

J. Respondents engaged in repeated and persistent fraudulent conduct in violation of

⁴ Pursuant to PHL § 2808(5)(c), "[n]o non-public residential health care facility, whether operated as a for-profit facility or as a not-for-profit facility, may withdraw equity or transfer assets which in the aggregate exceed three percent of such facility's total reported annual revenue for patient care services, based on the facility's most recently available reported data, without the prior written approval of the commissioner."

Executive Law § 63(12) by repeatedly and persistently transferring money as purported salaries, which over an eight-year period totaled Two Million One Hundred and Twenty-Five Thousand Dollars and Zero Cents (\$2,125,000.00), from Van Duyn to Steif and Koenig for work that was not exclusively linked to the Nursing Home and/or was duplicative of services provided by USG and/or Upstate SK.

K. Respondents repeatedly and persistently obtained, received, converted, or disposed of Van Duyn's revenue, either directly or indirectly, from the Medicaid and the Medicare Programs, to which they were not entitled, in violation of Executive Law § 63-c, thereby violating Executive Law § 63(12).

L. Respondent-Owners were unjustly enriched to the detriment of the Medicaid and the Medicare Programs by receiving and retaining payments from said programs for services that were purportedly rendered by Van Duyn, but which were not performed in conformance with applicable laws and regulations, and that resulted in resident neglect, abuse, and mistreatment.

M. In total, Respondent-Owners wrongfully transferred to themselves One Hundred Million One Hundred and Sixty-Four Thousand and Sixty-Two Dollars and Zero Cents (\$100,164,062.00) in up-front profit from Van Duyn without providing all of the Nursing Home's residents with the care that they are entitled to receive and that Respondent-Owners are obligated to provide, including Eighty-Seven Million Two Hundred and Ninety-Four Thousand and Seventy Dollars and Zero Cents (\$87,294,070.00) in proceeds from their deceptive and fraudulent real estate scheme, Two Million One Hundred and Twenty-Five Thousand Dollars and Zero Cents (\$2,125,000.00) in purported salaries, Five Million Forty-Four Thousand Nine Hundred and Ninety-Two Dollars and Zero Cents (\$5,044,992.00) in equity withdrawals from Van Duyn, and Five Million and Seven Hundred Thousand Dollars and Zero Cents (\$5,700,000.00) in payments

to Upstate SK for services Van Duyn also paid USG to perform.

N. On July 31, 2023, August 14, 2023, and September 27, 2023, when questioned under oath about the facts and circumstances of the financial transactions described in the Paragraphs above, the operation of the Van Duyn facility, the provision of and failure to provide healthcare to residents of Van Duyn, and the harm to specific residents of Van Duyn, including Van Duyn's violation of its duties to provide required care, operate with sufficient staffing and limit resident admissions to residents to whom Van Duyn could provide adequate care, and Steif and Koenig's diversion of over \$87 million from the nursing home through fraudulent real estate transactions, Respondents Koenig, Steif, and Camerota, respectively, on the advice of their attorneys, each asserted that they invoked their constitutional rights against self-incrimination and refused to answer each such question posed to them. The Attorney General finds that, under federal and New York law, such refusals to answer each such question supports an adverse inference against Respondent-Owners in civil proceedings against them. (*Baxter v Palmigiano*, 425 US 308, 318 [1976]; *El-Dehdan v El-Dehdan*, 26 NY3d 19, 37 [2015].)

O. Respondent-Owners, Van Duyn, and USG failed to produce to the Attorney General timely and complete information in response to validly issued Executive Law § 63(12) subpoenas during the course of the MFCU Investigation, asserting arguments that ordinary business records were privileged and protected from disclosure for the purpose of obstructing the MFCU Investigation, and resulting in significant expenditure of state resources in litigating motions to compel and related appeals, for which the New York Court of Appeals ordered Van Duyn to pay costs and necessary reproduction disbursements. (*See James v VDRNC, LLC*, No. 002285/2022 [Sup Ct, Onondaga County 2022] [granting Attorney General's motion to compel Van Duyn to produce metadata of electronic medical records in response to lawful subpoenas as

such records are not protected by the Quality Assurance privilege], *affd* 217 AD3d 1388 [4th Dept. 2023], *lv denied* 40 NY3d 909 [2024]; *James v VDRNC, LLC*, No. 010158/2022 [Sup Ct, Onondaga County 2023] [granting Attorney General’s motion to compel Van Duyn to produce electronic communications in response to lawful subpoena].)

P. Respondent-Owners, Van Duyn, and USG engaged in repeated and persistent fraudulent and illegal conduct by implementing an electronic medical record (“EMR”) software at Van Duyn during the course of the MFCU Investigation that did not produce records in a format consistent with relevant regulatory requirements and industry best practice, thereby preventing law enforcement from determining whether record entries made by Van Duyn’s staff purporting to have delivered care to a resident were made falsely to conceal the fact that care for which Van Duyn claimed Medicaid reimbursement was never actually provided, or was provided in an untimely manner;

WHEREAS, the Attorney General, on behalf of the People of the State of New York, therefore has good and sufficient cause to assert claims against all Respondents under Executive Law §§ 63-c and 63(12), PHL § 2801-c, and other provisions of Article 28 of the PHL, the Social Security Act, and other statutes, regulations, and the common law, for restitution, damages, disgorgement, and equitable relief;

WHEREAS, Van Duyn’s Quarterly Payroll Based Journal data, last updated on July 30, 2025, reflect that Van Duyn has been operating under a higher hours-per-resident-per-day (“HPRD”) ratio since the inception of the MFCU Investigation, going from a total HPRD of 3.46 in early 2018 to a total HPRD of 3.54 as of July 2025;

WHEREAS, during the course of the MFCU Investigation and in response to the Attorney General’s demands, Respondent-Owners and Van Duyn replaced the Nursing Home’s EMR

system described in Paragraph P above with a new EMR system that maintains EMR records, metadata, and other relevant data required to be maintained by federal and New York law, and that enables efficient production of such data specifically required by this AOD, including that the system records the time each record entry was made and the identity of the person making each entry;

WHEREAS, during the course of the MFCU Investigation and in response to the Attorney General's demands and successfully litigations, Respondent-Owners and Van Duyn have produced all relevant records in response to Executive Law § 63(12) subpoenas lawfully issued by the Attorney General, including relevant EMR records and their metadata;

WHEREAS, Respondents have made a substantial financial investment in Van Duyn during the pendency of the MFCU Investigation, including the expenditure of over Five Million Five Hundred Thousand Dollars (\$5,500,000.00) for the hiring of additional staff, including supervisory staff, as well as social workers and resident assistants, enabling Van Duyn to operate with additional staff and to rely less on agency staff; and

WHEREAS, the Attorney General finds the relief and promises set forth in this AOD are appropriate given the need for immediate healthcare reforms at the Nursing Home and the potential delay and litigation risk that would result from any litigation, and as a result this AOD is in the public interest, in the interests of the current and future residents of Van Duyn, and in furtherance of Medicaid Program integrity.

NOW THEREFORE, the Respondents and the Attorney General (the "Parties") enter into this AOD as follows:

Section I:

QUALITY OF CARE REFORMS

INDEPENDENT HEALTHCARE MONITOR

1. Respondents shall retain David Hoffman & Associates PC as an Independent Healthcare Monitor (“IHM”) to verify, survey, inspect, and improve the delivery of healthcare at Van Duyn.

2. Respondents must execute the contract with the IHM no later than fourteen (14) calendar days from the Effective Date (as defined in Paragraph 119).

3. The IHM’s engagement contract will be provided to the Attorney General and to DOH prior to its execution and Effective Date and is subject to approval by the Attorney General and DOH, which may, in their sole discretion, approve or reject such contract.

4. The IHM, or its designated representatives approved by the Attorney General, shall be on-site at Van Duyn no less than the number of calendar days per month that the IHM determines, in the IHM’s sole discretion, is needed to perform the obligations set forth in this AOD. Except as provided in Paragraph 9, Respondents shall implement all recommendations made by the IHM to ensure adequate, appropriate, and timely delivery of care to Van Duyn’s residents.

5. Respondents represent and warrant to the Attorney General that they will take no action to impede, interfere with, or otherwise circumvent the performance of duties and/or responsibilities of any individual and/or entity pursuant to this AOD, including, but not limited to, the duties and responsibilities of the Respondent-Owners, the IHM, the Independent Financial Monitor (“IFM”) (as described in Paragraphs 48–60), Van Duyn’s Governing Body, and the Chief Compliance Officer (as described in Paragraphs 45–47).

6. Respondent-Owners shall promptly pay the expenses of the IHM and IFM appointed hereunder, within fifteen (15) calendar days after submission to Respondent-Owners by each monitor of a monthly invoice or such other demand as the respective monitors and Respondent-Owners agree. However, at no point shall the payment of the monitors be drawn or otherwise derived from the funds or operating accounts of Van Duyn or the Resident Care Fund.

Responsibilities of the Independent Healthcare Monitor

7. The IHM shall have specific authority to visit and inspect Van Duyn at any time and without prior notice, to review all documents regarding Van Duyn, to monitor healthcare operations at Van Duyn, to ensure that Van Duyn improves healthcare outcomes for its residents, and to ensure that Van Duyn complies with the healthcare reforms set forth below, as well as any other reforms recommended by the IHM.

8. The IHM shall monitor Van Duyn's healthcare operations and ensure that residents' healthcare outcomes improve, to wit, by making recommendations to:

- a. Ensure that Van Duyn consistently operates with sufficient staffing (including CNAs, licensed practical nurses ["LPNs"], and registered nurses ["RNs"]) to provide all required care to Van Duyn's existing residents and any proposed new admissions, and at minimum meet the requirements of Paragraphs 25 and 27;
- b. Ensure that Van Duyn has sufficient supervisory nursing staff, including, but not limited to, RNs, to provide all required training, supervision, and support of staff;
- c. Ensure that Van Duyn has sufficient RN staff to conduct assessments and administer care that LPNs and CNAs cannot administer;

- d. Limit or bar admissions to Van Duyn when appropriate to maintain sufficient staffing to meet the needs of existing residents and proposed admissions;
- e. Set staffing compensation to amounts sufficient to enable Van Duyn to attract and retain sufficient staffing levels recommended by the IHM, provided that same not be in violation of any union agreements, including any collective bargaining agreement;
- f. Ensure that CNAs, LPNs, and RNs at Van Duyn maintain adequate documentation of medication and care administered;
- g. Ensure that Van Duyn maintains “complete,” “accurately documented,” “readily accessible,” and “systemically organized” medical records for “law enforcement purposes,” among others, including for access and review by the Attorney General, DOH, and the IHM. (42 CFR § 483.70[i][1]–[2].) The electronic records must identify the specific times and dates that Van Duyn staff made entries into the EMR system, including late entries, indicating whether the care provided to residents is “timely, consistent, safe, adequate, and appropriate,” (10 NYCRR § 81.1[c]), as well as identify which staff made the respective entries;
- h. Ensure that all of Van Duyn’s Medication Administration Records, Treatment Administration Records, and CNA Documentation are produced in grid format and reflect the medications and treatments the Nursing Home is required to provide to each resident; the required frequency and times of administration of the medications and treatments; the frequency and times

the required medications and treatments are purportedly provided to each resident, including any late entries; and the electronic initials or signatures of the facility staff members who administered the medication and/or treatment to each resident;

- i. Ensure that Van Duyn maintains its EMR system in the form of the software that was used to generate records produced to the Attorney General on June 3, 2024 and July 11, 2024 (that is, consistent with the example annexed hereto as Exhibit A), to comply with the Attorney General's demand, and that the EMR system continues to meet nursing home industry standards, including that the system records the time each record entry was made and the identity of the person making each entry;
- j. Ensure that only records created by or at the behest of Van Duyn's Quality Assurance Committee for quality assurance, and no other purposes, are shielded from law enforcement and regulatory review pursuant to the Quality Assurance Privilege;
- k. Revise, implement, and maintain policies and procedures, including but not limited to, Van Duyn's Point of Care Documentation Completion Policy and Procedure; and
- l. Ensure that Respondents, as well as Van Duyn's Administrator(s), Director(s) of Nursing Services, Medical Director(s), and consultant(s), immediately notify the IHM of any discrepancies, falsifications, or concerns regarding EMR.

9. Respondents expressly commit to the Attorney General that they and Van Duyn's Governing Body and staff, including its Administrator(s), Director(s) of Nursing Services, Medical Director(s), and consultant(s) shall not object to any IHM recommendation based on cost-savings or decreased gross or net revenue. Respondents, as well as Van Duyn's Administrator(s), Director(s) of Nursing Services, Medical Director(s), and consultant(s), shall accept and promptly implement all recommendations made by the IHM, except where:

- a. The recommendation is prohibited by law and such position is supported by an opinion of counsel excluding alleged positions based on 10 NYCRR § 405.3, 10 NYCRR § 415.26(b), 10 NYCRR § 600.9, or 42 CFR § 483.70(d)(2);
- b. The recommendation contradicts documented physician orders and/or documented resident/family wishes for a specific resident;
- c. The recommendation is medically contraindicated for the resident or residents on that unit, as determined by an RN licensed in New York State or higher-licensed New York State healthcare professional familiar with the specific resident group; or
- d. The Governing Body or any agency asserts that the implementation of a recommendation would require the performance of duties that are non-delegable under 10 NYCRR §§ 405.3 and 600.9, in which case the recommendation must be presented to the Governing Body, as defined in Paragraph 41, for vote, and in the event of a vote by the majority of the Governing Body members to adopt a resolution accepting the recommendation, Van Duyn will promptly implement it, and in the event of

a vote by the majority of the Governing Body members to reject the recommendation, the reasons for such decision shall be recorded in the minutes of the meeting of the Governing Body.

10. All IHM recommendations regarding staffing levels, staffing compensation, and resident admissions shall be made to ensure Van Duyn has sufficient staffing to provide required care for its existing residents and any prospective admissions.

11. Van Duyn's Governing Body, as defined in Paragraph 41 below, shall consult with and consider the recommendations of the IHM before hiring any Administrator, Assistant Administrator, Director of Nursing, Assistant Director of Nursing, Medical Director, Director of Admissions, or Minimum Data Set Coordinator, and shall accept and implement the IHM's recommendations regarding such hiring and shall not object based on any form of cost savings or any objection based on decreased gross or net revenue.

12. In the event of a disagreement pursuant to Paragraphs 9(d) or 11 between the IHM and Respondents or Van Duyn's Governing Body regarding any IHM recommendation, and if Respondent-Owners or Van Duyn fail to adopt the IHM's recommendation based on factors delineated in Paragraph 9(a) to (d), Respondent-Owners and/or the IHM shall promptly present such failure to the Attorney General, including Respondent-Owners' documented reasons for not implementing such recommendation, which shall not include any form of cost savings or any objection based on decreased gross or net revenue. No later than three (3) business days after such presentation, the Attorney General will make, in its sole discretion, a determination to accept or reject the IHM's recommendation, and will inform the IHM, Respondent-Owners, and Van Duyn's Governing Body of the Attorney General's determination in writing and setting forth the basis therefore.

13. In the event that Respondents fail to implement any recommendation of the IHM that is approved by the Governing Body, following written notice to Respondents by the IHM of said failure, and a five (5) calendar-day opportunity to cure such a failure, Respondent-Owners shall pay to the Attorney General through a wire transfer to MFCU a penalty of Five Thousand Dollars and Zero Cents (\$5,000.00) per day, from the date of the Governing Body's approval of the resolution or other memorialized decision to the date of implementation. In the event that Respondents fail to implement any recommendation of the IHM that is accepted by the Attorney General, following written notice to Respondents of said failure and a five (5) calendar-day opportunity to cure such a failure, Respondents shall pay to the Attorney General through a wire transfer to MFCU a penalty of Five Thousand Dollars and Zero Cents (\$5,000.00) per day, from the date of the Attorney General's notice of acceptance of the IHM recommendation to the date of implementation. Whether Respondents have sufficiently cured any such failure to implement an IHM recommendation rests within the sole discretion of the Attorney General. Said penalty shall not be waivable by the Attorney General. The penalty shall only be paid by Respondent-Owners and shall not be funded with Medicaid or Medicare payments made to Van Duyn or Medicaid or Medicare payments made to any other nursing home individually or partly owned by any of the Respondents. No such penalty shall be funded by the Resident Care Fund. Prior to imposition of any penalty, there shall be written notice pursuant to Paragraph 114 of the grounds upon which such penalty is being determined as well as a five (5) calendar-day period to cure same.

14. Van Duyn's Governing Body shall consider the IHM's recommendations to terminate any employees from the positions in Paragraph 11 above, and any other position, unless documented good cause, other than any form of cost savings or avoidance of revenue reduction, exists to decline to follow the IHM's recommendation. In the event of a vote by the majority of

the Governing Body members to reject the recommendation, the reasons for such decision shall be recorded in the minutes of the meeting of the Governing Body.

15. Respondents will promptly implement the IHM's staffing and compensation recommendations by continuing to hire full-time and/or part-time employees instead of independent contractors, agency staff, per diem workers, or temporary workers. Temporary, per diem, or agency staff will only be deployed as required to ensure compliance with minimum staffing mandates or under criteria promulgated by the IHM, and, with respect to temporary and agency staff, and per diem staff that do not have a contractual relationship with Van Duyn ("Uncontracted Per Diem Staff"), will only be deployed in the event of unpredictable and unpreventable need. In the event that temporary staff, Uncontracted Per Diem Staff, or agency staff is utilized to comply with minimum staffing mandates, Respondent-Owners will thoroughly document the efforts they undertook to hire full-time and/or part-time employees before resorting to utilizing temporary staff, Uncontracted Per Diem Staff, or agency staff. Respondents expressly acknowledge that any offer of compensation by Van Duyn to prospective and existing full-time employees that is too low to attract and retain full-time employees to work under poor working conditions⁵ fails to qualify as any "labor shortage."

16. Respondents shall fully and promptly cooperate with the IHM and shall ensure that Van Duyn's officers, employees, consultants, and agents fully and promptly cooperate with the IHM.

⁵ Poor working conditions include, without limitation, working conditions within the Nursing Home in which its staff are regularly or frequently: (i) assigned by the Nursing Home to perform care duties for too many residents than can be completed at a reasonable pace to provide adequate care within a given shift; (ii) required or asked by the Nursing Home to work multiple shifts during a 24-hour period; (iii) assigned to work shifts during which the Nursing Home provides insufficient RN supervision; (iv) pressured to complete documentation that they have performed tasks, services, and/or care to any residents that they have not performed and/or have not had adequate time within their shift to perform; and/or (v) assigned to work without having been provided sufficient training by Van Duyn to competently execute their duties.

17. The IHM and the IHM's contractually-designated agents will be provided with real-time 24-hour-per-day remote access to all of Van Duyn's EMR, pursuant to a Health Insurance Portability and Accountability Act Business Associate Agreement, including, but not limited to, therapy records and Point of Care systems, and will be granted the highest-level access permissions to such systems in order to enable viewing of all edits made at any time to any records by any user, person, or systems administrator, including, but not limited to, the times of scheduled medication and/or treatment administration, the purported times of medication and/or treatment administration, and the accompanying metadata.

18. Subject to Paragraph 20, the IHM's Term of Engagement ("IHM Term"), to be measured from either the Effective Date of this AOD or the date of the IHM contract execution pursuant to Paragraph 2, whichever is later, will be for the earlier of: (i) five (5) years, or (ii) three (3) years if the IHM issues a report, as described in Paragraph 98, assessing that the Respondents have complied in full with all obligations under this AOD within the purview of the IHM, in addition to the time the AOD may be tolled pursuant to Paragraphs 37, 46, and 69, and subject to the Respondents' obligations in Paragraph 27. Any triggering event described in Paragraph 18(a)–(e) within the second and third calendar years of the IHM Term, in addition to the time the AOD may be tolled pursuant to Paragraphs 37, 46, and 69, precludes the option to conclude the IHM Term within three (3) years. Respondents will promptly retain a substitute IHM, in accordance with the criteria outlined in Paragraphs 30 through 39 and with prior approval from the Attorney General, in the event the initial IHM is unable to complete the appointment prior to the conclusion of the IHM Term. The IHM Term and the AOD Term (as defined in Paragraph 119), plus any tolling pursuant to Paragraphs 37, 46, and 69, shall be extended in two-year increments, in the Attorney General's sole discretion, following written notice to the Respondents and providing

Respondents an opportunity to object within five (5) calendar days of the written notice, upon occurrence of any of the following during the two-year period prior to the potential end of the IHM Term, in addition to the time the AOD may be tolled pursuant to Paragraphs 37, 46, and 69:

- a. A finding by DOH of Immediate Jeopardy, Level K and/or L, as to conditions at Van Duyn, which is upheld through the dispute resolution process;⁶
- b. Van Duyn's transition from candidate to member of the SFF program, or reinstatement as a candidate if at some time Van Duyn is removed from the candidate list, except where such finding was the direct result of a recommendation made by the IHM that was objected to by the Respondents in accordance with Paragraphs 9(a) through (d) and 12;
- c. A determination by the IHM, subject to review by the Attorney General, that Respondents have materially failed to comply with any obligation hereunder, provided however, that the IHM provided Van Duyn with written notice of the material failure to comply, and that material failure was not cured within five (5) calendar days of such notice, as determined by the Attorney General;
- d. A determination by the IFM, subject to review by the Attorney General, that Respondents have materially failed to comply with any financial obligation or related legal obligation hereunder, provided however, that the IFM provided Van Duyn with written notice of the material failure to comply

⁶ For the avoidance of doubt, if a DOH finding under this sub-paragraph is the basis for an extension, that finding is to be treated as final for AOD purposes unless and until it is reversed or modified through the dispute resolution process. If an AOD extension period based on such a finding begins while the dispute resolution process is underway, that extension will continue unless and until the finding is reversed or modified.

and that material failure was not cured within five (5) calendar days of such notice, as determined by the Attorney General; or

- e. A determination by the Attorney General that Respondents have materially failed to comply with any obligation hereunder, provided however, that the Attorney General provided Respondents with written notice of the material failure to comply and that material failure was not cured within five (5) calendar days of such notice, as determined by the Attorney General.

19. For the avoidance of doubt, multiple occurrences of the above conditions during a calendar year will result in a two-year extension, not multiple two-year extensions. The AOD will be further extended for an additional two-year period should one or more of the above conditions occur during the second calendar year of any extended term.

20. The Attorney General retains the right to extend the IHM Term, the IFM Term (as defined in Paragraph 48), and the AOD Term (as defined in Paragraph 119) by two (2) additional years from the original five-year term, in accordance with Paragraph 18, without any judicial review, notwithstanding any objection by Respondents pursuant to Paragraph 18. In the event the Attorney General determines any subsequent two-year extensions are necessary, in accordance with Paragraph 18, Respondents may seek judicial review to confirm such finding. If such judicial review is sought and either: (1) affirmed by the court, or (2) resolved by the Parties, whether by stipulation or otherwise, in the Attorney General's favor, including in the extension of any of the terms of the IHM, IFM, and the AOD for any length of time, then Respondents will promptly make payment to the Attorney General for any fees and costs incurred by the Attorney General in reviewing, analyzing, negotiating, defending and/or otherwise litigating Respondents' request seeking judicial review to confirm such extension, which amount shall be sent to Respondents by

the Attorney General through the notice provisions of Paragraph 114, along with additional restitution to be paid by Respondent-Owners to the Medicaid Program of Five Hundred Thousand Dollars and Zero Cents (\$500,000.00), all of which is due to be paid to the Attorney General by wire transfer through MFCU within five (5) business days of notice from the Attorney General.

Objections to Recommendations of Independent Healthcare Monitor

21. No objection to the recommendations of the IHM shall be grounds for failure to comply with such instruction, except for the reasons set forth in Paragraph 9(a) through (d), and any such objection is subject to Paragraphs 22–23 below.

22. In all cases of objections, which can only be raised for the reasons set forth in Paragraph 9(a)–(d), Van Duyn shall proceed with appropriate medical care for its residents provided that same is not contraindicated by the attending physician and/or resident or duly designated representative authorized to make health care decisions for the resident, including but not limited to a Health Care Agent, Health Care Surrogate or Guardian. Within twenty-four (24) hours of the determination of the objection, Van Duyn’s Director of Nursing and Administrator shall memorialize the objection in writing addressed to the IHM and, if demanded in the sole discretion of the IHM, such objection shall be attested to be valid on the grounds of the originally posited objection by a physician licensed and practicing in New York State within twenty-four (24) hours of such demand. The Attorney General shall review and approve such objection or confirm the IHM instructions within three (3) business days in writing.

23. Under no circumstances shall the impact on gross or net revenues of carrying out a recommendation of the IHM be a valid basis for an objection to such recommendation.

Staffing and Direct Care Improvements

24. Respondents commit to instituting all direct care improvements and revising all care systems recommended by the IHM in accordance with this AOD, to assure that all caregivers are properly trained and supervised, and that each and every resident of Van Duyn is treated with dignity and respect; that caregivers provide timely, consistent, safe, appropriate, adequate, and professional services at all times; that there will be improvements in the provision of care as recommended by the IHM; and that the Covered Conduct uncovered by the MFCU Investigation shall not be repeated. For the same reasons, subject to Paragraph 9(a)–(d), Respondents commit that they will promptly implement at Van Duyn all policies recommended by the IHM in accordance with this AOD, including as delineated in Paragraph 8, absent any valid objection consistent with the provisions of Paragraphs 21–23 that is based solely on any ground in Paragraphs 9(a) through (d) and unrelated to any cost-savings.

25. Respondents shall cause Van Duyn to maintain or increase staffing (RN, LPN, and CNA) in accordance with the IHM’s recommendations, provided, however, that under no circumstances shall Van Duyn’s staffing levels fall below the greater of: (i) a minimum of 3.5 HPRD⁷ or (ii) such quantitative level as deemed necessary by the IHM to provide nursing and related services to attain or maintain the highest practicable physical, mental, and psychosocial well-being of each Van Duyn resident, as determined by resident assessments and individual plans of care (the greater of Paragraphs 25(i) and 25(ii) shall be called the “HPRD Minimum”). Under no circumstances shall Van Duyn’s staffing levels fall below a minimum of 3.5 HPRD. In so doing,

⁷ Respondents acknowledge that the New York State requirement to maintain 3.5 HPRD is independent from their duty to provide sufficient nursing care to residents in accordance with their “resident assessments and individual plans of care,” as the facility is required to ensure residents receive “ordered treatments, medications, diets or other health services consistent with the residents’ individual plans of care and in accordance with federal and State law and regulations,” as provided by 10 NYCRR § 415.13(a), and to “employ sufficient staffing levels to meet applicable standards of service and care and to provide service and care and to provide services to attain or maintain the highest practicable physical, mental, and psychosocial well-being of each resident of the facility.” (PHL § 2895-b[2][f][ii].)

Respondents shall increase and advertise salaries and benefits to such levels recommended by the IHM for Van Duyn to attract and retain qualified employees to meet the HPRD Minimum, without regard to alleged industry standards or net revenue. In this regard, Van Duyn and Respondent-Owners agree that any offer of compensation by Van Duyn to prospective and existing full-time employees that is too low, as determined by the IHM or IFM, to attract and retain full-time employees, fails to qualify as any alleged “labor shortage” and will not qualify as a defense for failure to meet this material obligation of the AOD.

26. Respondents will engage staffing recruiters that are not related parties; if recommended by the IHM, retain outside employment consultants not previously engaged by Respondents who are not related parties; make efforts to obtain all requisite regulatory approvals to sponsor CNA training programs for prospective Van Duyn CNAs and, if approved, offer such programs, at no cost to students; and implement any additional programs recommended by the IHM necessary to promptly achieve the IHM’s staffing recommendations as well as the HPRD Minimum.

27. Respondents shall, at a minimum, maintain the specific direct care and supervisory staffing improvements (“Mandatory Staffing Improvements”) at Van Duyn, including by specific discipline, as directed by the IHM, pursuant to this AOD, for the AOD Term, including any tolling pursuant to Paragraphs 37, 46, and 69, plus two (2) additional years beyond any extensions pursuant to Paragraph 18. Should Respondents fail to abide by the Mandatory Staffing Improvements for the AOD Term, including any tolling pursuant to Paragraphs 37, 46, and 69, plus two (2) additional years beyond any extensions pursuant to Paragraph 18, Respondent-Owners shall pay an additional restitution to the Medicaid Program of One Million Dollars and Zero Cents (\$1,000,000.00), all of which is due to be paid to the Attorney General by wire transfer through

MFCU within five (5) business days of notice from the Attorney General. Such improvements shall also include, but are not limited to, the requirements that:

- a. A Registered Nurse be assigned to, and work on, each unit on all shifts, and no Registered Nurse assigned to work on any such unit shall, under any circumstances, have any duties related to processing the admissions of new residents;
- b. A Registered Nurse be exclusively dedicated to processing the admissions of new residents and may do other administrative tasks that do not conflict with any duties related to the processing of the admissions of new residents, provided that said Registered Nurse shall not have any direct care responsibilities for any residents;
- c. Staffing coordinators shall only utilize temporary, Uncontracted Per Diem, or agency staff in the event of unpredictable and unpreventable need, pursuant to criteria promulgated by the IHM, pursuant to Paragraph 15; and
- d. For purposes of this AOD, staffing needs arising from typical patterns of call-outs or other consistent or routine staffing needs shall not constitute unpredictable and unpreventable need.

28. The IHM shall provide reports or information, in addition to Quarterly Reports described below, to the Attorney General at such times and in such manner as the Attorney General designates, concerning all activities under this AOD.

29. The IHM will have the right to communicate with the Attorney General, other state or federal regulators, and prosecutors, without the consent of Respondents.

Replacement of IHM

30. If, during the IHM Term, the IHM becomes unable to perform the obligations as set forth herein or if the Attorney General, in its sole discretion, determines that the IHM cannot fulfill such obligations to the Attorney General's satisfaction, which determination and the basis therefore shall be set forth in writing and provided to Respondents, the Attorney General shall notify Respondents to discharge and replace the IHM in accordance with the provisions for selection of the IHM set forth below in Paragraphs 31 through 39.

31. Respondents will nominate at least two (2) qualified candidates to replace the IHM ("Replacement IHM") to the Attorney General for approval no later than ten (10) calendar days after the Attorney General notifies Respondents in writing to discharge and replace the IHM or the IHM is unable to fulfill its monitorship obligations.

32. The Replacement IHM candidates or their team members shall have, at a minimum, the following qualifications:

- a. Demonstrated expertise with respect to the delivery of healthcare at nursing homes, including all relevant laws and regulations;
- b. Experience designing and/or reviewing healthcare compliance programs, procedures, and internal controls, including issues relevant to nursing homes;
- c. The ability to access and deploy resources as necessary to discharge the IHM's duties, as described in this section, including through agents and employees; and
- d. Sufficient independence from Respondents, other nursing home operators, nursing home industry and trade groups, and from any counsel for the

Respondents to ensure effective and impartial performance of the IHM's duties as described in this section.

33. The Replacement IHM may be a professional firm, and the Attorney General's power of approval shall extend to each employee designated by such firm for assignment to the engagement.

34. The Attorney General retains the right, in its sole discretion, to approve or disapprove the Replacement IHM. Respondents must execute the contract with the Replacement IHM within fourteen (14) calendar days from the date the chosen candidate was approved by the Attorney General.

35. In the event that all of Respondents' proposed candidates pursuant to Paragraph 31 are deemed unsuitable, the Attorney General will not consider any additional candidates proposed by Respondents.

36. To the extent the Replacement IHM candidates proposed by Respondents are unacceptable to the Attorney General, or if the Respondents fail to nominate any qualified Replacement IHM candidates to the Attorney General within ten (10) calendar days of the triggering event in Paragraph 30, the Attorney General will propose two (2) candidates deemed to be qualified for the position in the Attorney General's sole discretion, and Respondents will within five (5) calendar days select one of same to serve as the Replacement IHM and execute a contract with that candidate within fourteen (14) calendar days from the date the Attorney General nominated the candidate. If Respondents fail to notify the Attorney General of their selection of one of these two (2) candidates within five (5) calendar days, then the Attorney General will notify the Respondents which Replacement IHM candidate to retain, which Respondents will do promptly and shall execute a contract with that candidate within fourteen (14) calendar days from

the date the Attorney General selected the candidate. If Respondents do not send the Attorney General a signed final contract with the Replacement IHM within fourteen (14) calendar days from the date the Attorney General selected the candidate, Respondent-Owners, not Van Duyn, shall pay to the Attorney General, through a wire transfer to MFCU, a Five Thousand Dollars and Zero Cents (\$5,000.00) per day penalty for each day that passes without a signed contract.

37. If the Attorney General determines, in its sole discretion, that Respondents' delay in proposing Replacement IHM candidates or retaining a proposed Replacement IHM candidate approved by the Attorney General is negatively impacting the implementation of this AOD, the Attorney General shall seek an Order from a court of competent jurisdiction appointing a candidate of the Attorney General's choosing as Replacement IHM, and providing that Respondent-Owners shall pay for the services of that Replacement IHM for the duration of the monitorship; in such circumstances, Respondents shall not raise any defense or objection to the court's jurisdiction or authority over such proceedings. During any time that an approved IHM or Replacement IHM is not in place, the IHM Term under this AOD and the AOD Term are tolled.

38. Respondents acknowledge that:

- a. The purpose of the IHM under the AOD is to increase compliance by the Respondents with state and federal law, and with the AOD itself.
- b. IHM candidates that have experience serving as monitors for law enforcement agencies, including the Office of the Attorney General, demonstrate by virtue of that experience, increased qualifications to serve as IHM under the AOD.

- c. Any claim by Respondents that experience set forth in Paragraph 38(b) above renders a candidate insufficiently independent under the AOD is baseless and constitutes breach of the Respondents' duties under the AOD.

39. The Replacement IHM's engagement contract will be provided to the Attorney General and to DOH prior to its execution and is subject to approval by the Attorney General and DOH, which may, in their sole discretion, approve or reject such contract.

ELECTRONIC MEDICAL RECORDS REFORMS

40. Respondent-Owners shall pay for and maintain Van Duyn's existing EMR software, or EMR software of equivalent or greater capability that includes the functions, and ensures compliance with the requirements, set forth in Paragraphs 8(g)–8(i) and Exhibit A. The payments for this software shall not come from Van Duyn's Resident Care Fund, as defined in Paragraph 72. Respondent-Owners and Van Duyn commit that Van Duyn's EMR shall comply with the requirements set forth in Paragraphs 8(g) to (i) and Exhibit A for the entire time Respondent-Owners continue to operate the Nursing Home, and Respondent-Owners' obligation to maintain the EMR in this form does not expire with the AOD Term. Respondent-Owners represent that all other nursing homes in which any of them has/have a majority ownership interest maintain EMR systems of the same capabilities as the requirements in Paragraphs 8(g) to (i) and Exhibit A, and that Respondent-Owners' obligation to maintain the EMR in this format at all other nursing homes in which any of them has/have a majority ownership interest survives the AOD Term.

REFORM OF GOVERNING BODY

41. Respondents shall form a new official governing body for Van Duyn that is legally responsible for the overall management and operation of the facility, as required by 10 NYCRR §

415.26(b) (the “Governing Body”), within thirty (30) calendar days after the Effective Date of this AOD, or after receiving approval from DOH and/or the Public Health and Health Planning Council (“PHHPC”), as required by 10 NYCRR §§ 401.3(b) and 415, if such approval is required. The Governing Body will be comprised of five (5) members and shall include the IHM, the IFM, and any combination of the Respondent-Owners or their designees. In the event that any Respondent-Owner designates any agent to be their representative on the Governing Body, it shall not be a defense to any claim or proceeding against any Respondent-Owner that said agent did not keep the Respondent-Owner informed. No Respondent-Owner shall designate as their representative on the Governing Body any agent that is a law firm or compliance consultant.

42. The Governing Body will adopt by-laws at their first meeting, which will take place no later than sixty (60) business days from the Effective Date. Such by-laws are subject to approval of the Attorney General and DOH. To facilitate this, within fifteen (15) business days of the Effective Date, Van Duyn shall send, via email, proposed by-laws to the Attorney General and DOH for approval.

43. The Governing Body shall meet in formal session at least monthly during the AOD Term, but this may be adjusted to quarterly upon a favorable report of the IHM. Minutes of the meetings of the Governing Body shall be taken by the IFM or IHM, or their designee, and shall include all of the recommendations made by the IHM, discussion of such recommendations, and the resolutions reflecting approval of the recommendations made by the IHM, and any objections thereto, including any reasons stated. The minutes shall be provided to the Attorney General after ratification by the Governing Body or within thirty-five (35) business days after each meeting, whichever time period is shorter. Notwithstanding Paragraph 41, the IHM and IFM shall not be deemed a Director or Member of the entity licensed pursuant to Article 28 of the Public Health

Law. Unless invited to make a presentation to the Governing Body by an approved resolution of the Governing Body, counsel representing any member of the Governing Body shall not orally address the Governing Body or otherwise disrupt any ongoing board meeting. Violation of this provision shall result in the prohibition of said counsel and any lawyers from the same firm from attending, in any form, future board meetings of the Governing Body.

44. Nothing in this AOD shall limit the Governing Body's additional rights, duties and obligations under other applicable law, including but not limited to the requirement under 10 NYCRR § 415.27(b)(4) that a member of the Governing Body also be a member of Van Duyn's Quality Assurance and Performance Improvement Committee.

HEALTHCARE COMPLIANCE REFORMS

Chief Compliance Officer

45. Within thirty (30) calendar days of the retention of the IHM, Van Duyn and Respondent-Owners will appoint Marc Mendlowitz as the Chief Compliance Officer, who shall assist Van Duyn with its compliance obligations, as described in Paragraph 47. The Chief Compliance Officer will be responsible for ensuring an effective healthcare and regulatory compliance program at Van Duyn, as required by 18 NYCRR § 521-1.4(b) and NY Social Services Law § 363-d. The Chief Compliance Officer shall periodically report directly to the Governing Body, and shall not report to or be required by Van Duyn to consult first with its counsel or any alleged compliance consultant before investigating incident and accident reports or other alleged complaints, or before reporting to the Governing Body.

46. The Attorney General shall have the right, in its sole discretion, to approve or reject any Chief Compliance Officer selected by Van Duyn and Respondent-Owners. The Chief Compliance Officer shall have a minimum of one of the following: (i) ten (10) years of healthcare

experience as a Skilled Nursing Facility Administrator; (ii) relevant experience that includes serving as a healthcare facility Compliance Officer; (iii) experience as an attorney whose practice focused primarily on the healthcare industry; (iv) experience as a Director of Nursing Services at a skilled nursing facility; or (v) equivalent relevant experience. Van Duyn and Respondent-Owners shall consult with the IHM before selecting a Chief Compliance Officer. Any such Chief Compliance Officer shall not be an excluded person under federal and state healthcare programs nor previously subject to any healthcare administrative suspension or sanction in any jurisdiction. Under no circumstances will the Chief Compliance Officer be related by birth or marriage to any of the Respondent-Owners or hold or acquire an ownership interest in any business enterprise related in any manner to Respondents. Should Respondents fail to appoint the Chief Compliance Officer approved by the Attorney General within thirty (30) calendar days of the IHM's retention, and during any time thereafter that an approved Chief Compliance Officer is not in place, the AOD Term is tolled. Should the initially-retained Chief Compliance Officer become unable to perform the obligations as set out herein, or if the Attorney General, in its sole discretion, determines that the Chief Compliance Officer cannot fulfill such obligations to the Attorney General's satisfaction, which determination and the basis therefore shall be set forth in writing and provided to Respondents, the Attorney General shall notify Respondents to discharge and replace the Chief Compliance Officer, which they must do within ten (10) business days of such determination or notice from the Chief Compliance Officer that they can no longer fulfill their duties. Should Respondents fail to appoint a new Chief Compliance Officer approved by the Attorney General within ten (10) business days as specified above, and during any time thereafter that an approved Chief Compliance Officer is not in place, the AOD Term is tolled.

47. The Chief Compliance Officer will maintain a robust compliance program at Van Duyn designed to ensure that: (a) the improvements as required by the IHM recommendations are fully implemented subject to Paragraph 9; (b) that Van Duyn complies with the PHL, Social Services Law § 363-d, and the corresponding rules and regulations thereunder to avoid violation of healthcare requirements; (c) that Van Duyn complies with the Social Security Act and related regulations, and the rules and regulations of the Medicaid and Medicare Programs, as well as other state and federal laws; and (d) that Van Duyn complies with DOH Guidance and the terms of this AOD, to avoid violation of the requirements for appropriate claims to government insurance programs.

Section II:

FINANCIAL REFORMS

Independent Financial Monitor

48. Respondent-Owners and Van Duyn shall retain Bishop Muriel & Weirauch LLP as an IFM to verify and audit the Resident Care Fund and all of Van Duyn's financial transactions relevant to any determination by Respondents to decline to implement the IHM's recommendations, subject to Paragraphs 9, 12, and 22, and to verify that Respondents meet their financial obligations under this AOD, including ensuring sufficient funding exists to implement all IHM recommendations. The term of engagement of the IFM ("IFM Term") shall be consistent with the IHM Term as described in Paragraphs 18 and 20. In the event that funds remain in the Resident Care Fund at the conclusion of the IHM Term, the IFM Term will continue until all such funds are expended.

49. Respondents must execute a contract with the IFM no later than fourteen (14) calendar days from the Effective Date.

50. The IFM's engagement contract will be provided to the Attorney General and to DOH prior to its execution and Effective Date and is subject to approval by the Attorney General and DOH, which may, in their sole discretion, approve or reject such contract.

51. The IFM will issue reports directly to the Attorney General, with a copy to Respondent-Owners and Van Duyn, and the activity of the IFM shall not be directed by any of the Parties hereto.

52. The IFM will be retained in order to audit and verify Respondents' compliance with all terms of this AOD that bear, in any respect, on the financial condition of Van Duyn and the availability of resources to fund requirements under this AOD, including, but not limited to:

- a. Expenditures required or prohibited by any Respondent under this AOD;
- b. Availability of funds to carry out any transaction required by this AOD;
- c. Compliance with this AOD's financial obligations, including ensuring sufficient funding exists to implement all IHM recommendations;
- d. All financial transactions of Van Duyn relating to the Resident Care Fund;
and
- e. Any determination by Respondents to decline to implement the IHM's recommendations, subject to Paragraphs 9, 12, and 22.

53. Respondents represent that they will take no action to impede, interfere with, or otherwise circumvent the administration of the Resident Care Fund or the financing of the IHM's recommendations in accordance with this AOD, subject to Paragraphs 9, 12, and 22. In the event that Respondents violate the terms of this Paragraph, following written notice to Respondents by the IFM of said failure, and a five (5) calendar-day opportunity to cure such a failure, Respondent-Owners shall pay to the Attorney General through a wire transfer to MFCU a penalty of Five

Thousand Dollars and Zero Cents (\$5,000.00) per day, from the date of the IFM's notice until Respondents cure the failure. Whether Respondents have sufficiently cured any such failure rests within the sole discretion of the Attorney General. Said penalty shall not be waivable by the Attorney General. The penalty shall only be paid by Respondent-Owners and shall not be funded with Medicaid or Medicare payments made to Van Duyn or Medicaid or Medicare payments made to any other nursing home individually or partly owned by any of the Respondents. No such penalty shall be funded by the Resident Care Fund.

54. The IFM will be given all authority necessary for immediate and direct access to all information concerning Van Duyn, including, but not limited to, direct electronic access to all of Van Duyn's banking accounts with equal access as any account holder or agent thereof, and all of Van Duyn's fiscal systems maintained in connection with the financial transactions of Van Duyn.

55. Respondents shall provide the IFM prompt and unconditional access to the books and records of Van Duyn, the Van Duyn-related books and records of any vendor or related party in which any Respondent has an ownership or controlling interest, and which does business with Van Duyn, including but not limited to 5075 West Seneca, as well as access to any accountant or accounting firm that does business for or maintains records pertaining to Van Duyn or 5075 West Seneca, or any other vendor or related party, which, in the IFM's sole discretion, is necessary to carry out the IFM's responsibilities under this AOD.

56. The IFM will receive and review copies of all bank records for Van Duyn and shall forward copies of such statements to the Attorney General upon request, and on any schedule that the IFM determines necessary to carry out its functions.

57. The IFM shall have the unrestricted power, in its sole discretion, to cause Van Duyn, directly or through Van Duyn's employees to:

- a. Prevent, block, cancel, or reverse any financial transaction relating to the Resident Care Fund;
- b. Instruct or direct financial transactions necessary to carry out the terms of this AOD;
- c. Inquire, verbally and/or in writing, and to receive a response in the form designated by the IFM, as to any matter concerning Van Duyn or Respondents' financial reform-related obligations under this AOD; and
- d. Require the production of copies of any books and records of Van Duyn related to Respondents' financial reform-related responsibilities under this AOD.

58. Respondents represent that they will not take draws or distributions from Van Duyn or make payments to any related entities or any management or consulting entities that do business with Van Duyn unless such draws, distributions, and payments are made in accordance with Paragraphs 82–83 and all other applicable laws, rules, and regulations.

59. The IFM will have the right to communicate with the Attorney General without the consent of Respondent-Owners.

60. Respondent-Owners shall cause their employees and agents to promptly comply with instructions from the IFM as to any matter concerning its responsibilities as set forth in Paragraph 57 on the same time frame as said employees and agents could carry out the request if made by Respondents. Any objection to such instruction shall be memorialized and conveyed to the IFM and the Attorney General, and will be subject to review and correction in the ordinary

course of business of the IFM and the Attorney General. Respondents' objection to any such instruction by the IFM shall not be grounds for failure to carry out the instruction absent a determination of good cause by the Attorney General and/or the IFM.

Replacement of IFM

61. If, during the IFM Term, the IFM becomes unable to perform the obligations as set out herein or if the Attorney General, in its sole discretion, determines that the IFM cannot fulfill such obligations to the Attorney General's satisfaction, which determination and the basis therefore shall be set forth in writing and provided to Respondents, the Attorney General shall notify Respondents to discharge and replace the IFM in accordance with the provisions for selection of the IFM described in Paragraphs 62–69 below.

62. Respondents shall nominate at least two (2) qualified candidates to replace the IFM (the "Replacement IFM") to the Attorney General for approval no later than ten (10) calendar days after the Attorney General notifies Respondents in writing to discharge and replace the IFM or the IFM is deemed unable to perform the obligations under this AOD. Such candidates must demonstrate expertise with respect to healthcare fraud investigations and, at a minimum, meet the following requirements:

- a. Be able to access and deploy resources as necessary to discharge the IFM's duties, as described in Paragraphs 51 to 60, including through agents and employees; and
- b. Be sufficiently independent from Respondents, other nursing home operators, nursing home industry and trade groups, and from any counsel for the Respondents to ensure effective and impartial performance of the IFM's duties as described in Paragraphs 51 to 60.

63. The Replacement IFM may be a professional firm, in which case the Attorney General's power of approval shall extend to each staffer designated by such firm for assignment to the project.

64. In the event that all of Respondents' proposed candidates pursuant to Paragraph 62 are deemed unsuitable, the Attorney General will not consider any additional candidates proposed by Respondents.

65. Respondents acknowledge that:

- a. The purpose of the IFM under the AOD is to increase compliance by the Respondents with state and federal law, and with the AOD itself.
- b. IFM candidates that have experience serving as monitors for law enforcement agencies, including the Office of the Attorney General, demonstrate by virtue of that experience, increased qualifications to serve as IFM under the AOD.
- c. Any claim by Respondents that experience set forth in Paragraph 65(b) above renders a candidate insufficiently independent under the AOD is baseless and constitutes breach of the Respondents' duties under the AOD.

66. The Attorney General retains the right, in its sole discretion, to approve or disapprove the Replacement IFM. Respondents must execute the contract with the Replacement IFM within fourteen (14) calendar days from the date the chosen candidate was approved by the Attorney General.

67. The Replacement IFM's engagement contract will be provided to the Attorney General and to DOH prior to its execution and is subject to approval by the Attorney General and DOH, which may, in their sole discretion, approve or reject such contract.

68. To the extent the Replacement IFM candidates proposed by Respondents are unacceptable to the Attorney General, or if Respondents fail to nominate any qualified Replacement IFM candidates to the Attorney General within ten (10) calendar days of the triggering event in Paragraph 61, the Attorney General will propose two (2) acceptable candidates for the position, and Respondents will within five (5) calendar days select one of same to serve as the Replacement IFM and execute a contract with that candidate within fourteen (14) calendar days from the date the Attorney General nominated the candidate. If Respondents fail to notify the Attorney General of their selection of one of these two (2) candidates within five (5) calendar days, then the Attorney General will notify the Respondents which IFM candidate to retain, which Respondents will do promptly and shall execute a contract with that candidate within fourteen (14) calendar days from the date the Attorney General selected the candidate. If Respondents do not send the Attorney General a signed final contract with the IFM within fourteen (14) calendar days from the date the Attorney General selected the candidate, Respondent-Owners, not Van Duyn, shall pay a Five Thousand Dollars and Zero Cents (\$5,000.00) per day penalty for each day that passes without a signed contract.

69. If the Attorney General determines, in its sole discretion, that Respondent-Owners and Van Duyn's delay in proposing qualified Replacement IFM candidates or retaining a proposed Replacement IFM candidate approved by the Attorney General is negatively impacting implementation of this AOD, the Attorney General shall seek an Order from a court of competent jurisdiction appointing the candidate of the Attorney General's choosing as Replacement IFM, and providing that Respondent-Owners shall pay for the services of that Replacement IFM until the later of the end date of the duration of the monitorship or of the duration of time that any funds exist within the Resident Care Fund after Respondents have fulfilled their obligations under this

AOD to fund the Resident Care Fund; in such circumstances, neither Van Duyn nor Respondent-Owners shall raise any defense or objection to the court's jurisdiction or authority over such proceedings. During the time that an approved IFM or Replacement IFM is not in place, the IFM Term and the AOD Term are tolled.

Section III:

MONETARY RELIEF AND REFORMS

Payments Relating to Restitution and Resident Care

70. Notwithstanding any other financial obligations under this AOD, Respondent-Owners shall pay by wire transfer to MFCU a sum of Two Million Dollars and Zero Cents (\$2,000,000.00), representing repayment of money paid by the State of New York and CMS for the state and federal shares of Medicaid, and Medicare claims submitted by Van Duyn in satisfaction of the Attorney General's civil claims arising from the Covered Conduct.

71. Respondent-Owners shall be jointly and severally liable to make the payments set forth herein within ten (10) business days of the Effective Date of this AOD, except given Footnote 1 above Respondent-Owner Camerota shall only be jointly and severally liable for the payments set forth herein up to his 1% ownership percentage of the Nursing Home.

Resident Care Fund

72. Within five (5) business days of the Effective Date, Respondent-Owners shall establish a fund to be used exclusively for the benefit of the residents of Van Duyn (the "Resident Care Fund") that shall be utilized to fund all IHM-recommended improvements in care, including staffing enhancements and other care-related improvements that were initiated before the Effective Date, but not staffing expenses to satisfy Respondents' obligations to meet the statutory minimum 3.5 HPRD, provided such improvements are, after thorough consideration, explicitly endorsed by

the IHM as appropriate Resident Care Fund expenses, subject to Paragraphs 9 and 78, the latter of which provides that Respondent-Owners' obligations to provide appropriate, adequate, and timely care for the residents of their nursing homes regardless of cost is not limited to funds in the Resident Care Fund. The Resident Care Fund shall not be used to reimburse Respondents for any costs they incurred prior to the Effective Date. The Resident Care Fund shall be established at a financial institution licensed in the State of New York, subject to approval by the Attorney General.

73. Proof of payment made by the Respondent-Owners into Van Duyn's Resident Care Fund shall be provided to the Attorney General within twenty-four (24) hours of payment thereof.

74. Van Duyn's Resident Care Fund shall be funded with the sum of Ten Million Dollars and Zero Cents (\$10,000,000.00), in three (3) annual installments, deposited as follows:

- a. Three Million Three Hundred Thirty-Three Thousand Dollars and Thirty Three Cents (\$3,333,333.33) within five (5) business days of the Effective Date;
- b. Three Million Three Hundred Thirty-Three Thousand Dollars and Thirty Three Cents (\$3,333,333.33) on or before August 18, 2026; and
- c. Three Million Three Hundred Thirty-Three Thousand Dollars and Thirty Four Cents (\$3,333,333.34) on or before August 18, 2027.

75. The Parties expect that the funds in the Resident Care Fund will be completely expended during the AOD Term, in accordance with its provisions. However, should funds remain in the Resident Care Fund at the end of the AOD Term (the "Remaining Funds"), except as provided in Paragraph 99, Respondents agree that any such Remaining Funds shall be used for the benefit of Van Duyn's residents in a manner consistent with the recommendations of the IHM during the AOD Term. Such purposes shall include, but not be limited to, enhanced staffing,

enhanced compensation for direct care staff, quality of care improvements, improved infection control mechanisms, improved compliance functions and improved employee compensation and benefits.

76. Should there be Remaining Funds in the Resident Care Fund at the end of the AOD Term, except as provided in Paragraph 99, Respondents further agree to extend the IFM Term for as long as there is a balance in the Resident Care Fund (“RCF Extended IFM Term”). For the avoidance of doubt, in the event of an RCF Extended IFM Term, said extension shall have no bearing on the expiration of the AOD Term. During any such RCF Extended IFM Term, the IFM’s responsibilities would be limited to (a) reviewing all proposed transfers from the Resident Care Fund, and (b) after reviewing all IHM Reports, including but not limited to the Final Report as defined in Paragraph 94, as a basis for understanding appropriate Resident Care Fund expenditures, and considering any communications with the IHM, approving only those transfers consistent with and appropriate under the IHM’s recommendations, unless falling under an exception in Paragraph 9(a) to (d). During any such RCF Extended IFM Term, absent consent of the IFM, the Attorney General, and Respondents, the Resident Care Fund shall not be used for capital improvements.

77. When the Remaining Funds have been fully depleted and no monies remain in the Resident Care Fund, Respondents shall notify the Attorney General and the IFM in writing, such that the IFM can independently verify same. Upon depletion of the Remaining Funds, the RCF Extended IFM Term shall end.

78. All funds paid into the Resident Care Fund by Respondent-Owners and/or transferred into Van Duyn’s Resident Care Fund at the direction of Respondent-Owners, are additional to and not in limitation of Respondents’ obligations, as Medicaid providers, to provide appropriate, adequate, and timely care for the residents of their nursing homes regardless of cost.

Accordingly, the Resident Care Fund shall be funded by the Respondent-Owners and shall not be funded by Respondent-Owners with Medicaid or Medicare payments made to Van Duyn or Medicaid or Medicare payments made to any other nursing home individually or partly owned by any of the Respondents.

79. No portion of the payments required under this AOD nor any related expense on the part of Van Duyn shall be claimed as any tax loss by Respondents. No portion of the payments required to be made by, or transferred at the direction of, the Respondents into the Resident Care Fund under this AOD shall be claimed as any tax expense unless and until such funds are actually expended for the purposes set forth in this AOD.

80. No portion of the payments required under the AOD nor any related expense on the part of Van Duyn shall be claimed as reimbursable costs under the Medicaid Program. No portion of the payments required under the AOD nor any related expense shall be claimed on any government contract or rate application by the Respondent-Owners unless such payment is mandated by the IHM and approved by the Attorney General as a necessary and essential capital improvement to the facility.

81. Respondents, other than Van Duyn, are prohibited from making any withdrawals from the Resident Care Fund.

82. The Parties recognize that Van Duyn needs sufficient funds in order to operate in compliance with its many legal duties and obligations, and that the prompt removal and/or transfer of revenue from the facility to USG, Upstate SK, and 5075 West Seneca or any other existing or future related entities prior to ensuring the residents receive requisite care is incompatible with meeting this need. Accordingly, while Van Duyn is the licensed operator of the facility, Respondent-Owners agree not to take any draws or distributions from Van Duyn unless and until

at the end of any calendar year: (1) Van Duyn's revenue exceeds its expenses; (2) all Respondents are in compliance with the requirements of this AOD and all applicable laws, rules, and regulations; (3) any such draw or distribution is limited to the amount that Van Duyn's revenue exceeds its expenses; and (4) any such draw or distribution is approved by the IFM after consultation with the IHM. Such draw or distribution shall never be taken if it exceeds any legally mandated cap.

83. While Van Duyn is the licensed operator of the facility, Van Duyn shall make no payments to any related entities or any management or consulting entities with which Van Duyn does business unless such payments are approved by the IFM pursuant to Paragraph 52. For purposes of this Paragraph, the IFM will only approve such transfers and distributions and encumbrances and other debts after ensuring compliance with all applicable laws, rules, and regulations, including without limitation, those ensuring that: (1) the transfer of any funds from Van Duyn, including without limitation any purported rent, consulting, management, or administrative fee payments, to any Respondent-Owner, other owner, any related entities, any existing or future related entities, or any management or consulting entity is: (i) of an amount that is reasonable and inconsistent with self-dealing or collusion, (ii) for services or goods of sufficient quality and value, and (iii) for a legitimate business purpose and in the Nursing Home's best interests rather than any form of up-front profit-taking from the Nursing Home without assurance first that the Nursing Home is operating in compliance with all applicable laws, rules, and regulations, or (2) the assumption of any debt or other obligation by Van Duyn is: (i) of an amount that results from arms-length negotiation rather than self-dealing or collusion, (ii) for services or goods of sufficient quality and value, and (iii) for a legitimate business purpose and in the Nursing

Home's best interests. Subject to Paragraph 57, the IFM will not withhold approval of 5075 West Seneca's necessary property expenses, including mortgage payments, taxes, and utilities.

84. Respondents shall not make donations or other charitable transfers, or loans from Van Duyn during the AOD Term.

85. Under no circumstances shall funding of the IHM or the IFM, or any contractual or non-contractual litigation costs, be charged directly or indirectly to the Resident Care Fund.

Correction of Cost Reports

86. Van Duyn shall correct its cost reports filed with DOH, where applicable, by fully completing all required cost report schedules, by providing new certifications, where required, for said cost reports, and shall submit, within ninety (90) calendar days of the Effective Date, such revised cost reports in their entirety to the Attorney General and DOH. Notwithstanding Paragraph 107, the New York State Office of the Medicaid Inspector General ("OMIG") retains the right to audit said corrected cost reports filed by or on behalf of Van Duyn and other Respondents, and preserves all administrative remedies with respect to those filings.

87. Respondents represent and warrant that, from the Effective Date, all cost reports they file with DOH will report all related companies, including Upstate SK, and will include accurately and fully completed Part III financial statements for all such related companies.

Reimbursement of Costs of Investigation

88. Respondents, other than Van Duyn, shall pay the sum of One Hundred Thousand Dollars and Zero Cents (\$100,000.00) by a wire transfer to MFCU as reimbursement of the costs of investigation incurred by the Office of the Attorney General (hereinafter "Costs of Investigation").

89. The Costs of Investigation shall be tendered to the Office of the Attorney General on or before forty-five (45) calendar days from the Effective Date.

No Financial Impact on Other Healthcare Facilities

90. Under no circumstances shall the Respondents cause, permit, or suffer the funding of any reform required by this AOD, including, but not limited to, the costs of the IHM or the IFM, increased staffing, healthcare compliance, or any contractual or non-contractual litigation costs, to be charged directly or indirectly to any other nursing home in New York or elsewhere in the United States.

No Healthcare Impact on Other Healthcare Facilities

91. Under no circumstances shall the Respondents cause, permit, or suffer any reform required by this AOD, including, but not limited to, the costs of the IHM or the IFM, increased staffing, healthcare compliance, or any contractual or non-contractual litigation costs, to cause reduction in the staffing level or quality of care to residents of any other nursing home in New York or elsewhere in the United States owned, operated, managed, or controlled by any of the Respondents.

Section IV:

**PROHIBITION AGAINST VIOLATING NEW YORK LAW AND THIS ASSURANCE
OF DISCONTINUANCE**

92. In operating Van Duyn and/or any other healthcare business, Respondent-Owners shall not directly or indirectly, engage or attempt to engage in violations of the law including, but not limited to, the New York State Penal Law, Executive Law §§ 63(12) and 63-c, the Social Services Law, the PHL, and the rules and regulations governing New York nursing homes and the New York State Medicaid Program.

93. The Attorney General retains the right, under Executive Law § 63(15), to compel compliance with this AOD. Evidence of a material breach of this AOD shall constitute prima facie proof of violation of the applicable law in any civil action or proceeding thereafter commenced by the Attorney General. Should it be determined that a breach or other violation of this AOD by the Respondents has occurred, said breaching party shall pay the Attorney General the cost, if any, of such determination and of enforcing this AOD, including without limitation, legal fees, expenses, and court costs, including those between the breaching party and the Attorney General.

Section V:

COOPERATION WITH THE INDEPENDENT HEALTHCARE MONITOR, INDEPENDENT FINANCIAL MONITOR, AND THE ATTORNEY GENERAL

94. Respondents will fully cooperate with the IHM and IFM. Such cooperation will include, but not be limited to: i) providing the IHM and IFM with access to all books and records of Van Duyn, USG, Upstate SK, and 5075 West Seneca, as contemplated by the duties of the IHM or IFM [Paragraphs 1–29, 48–60 above]; ii) providing the IHM and IFM with access to all employees, personal assistants, agents, and/or contractors of Respondents reasonably necessary for the IHM and IFM to carry out their respective responsibilities under this AOD at a convenient time, place, and manner that the IHM and/or IFM shall direct, and instructing such persons that responding to all inquiries by the IHM and IFM related to the performance of their duties under this AOD is required by Respondents; and iii) advising the IHM and IFM of any significant programmatic or policy changes relating to compliance with the IHM and/or IFM’s responsibilities under this AOD prior to implementation of such changes. If the IHM and/or IFM should find that any action taken by Respondents may violate this AOD, and such finding is not cured within five (5) calendar days of written notice to Respondents, the IHM and/or IFM will advise the Attorney General of same in writing (“Violation Reports”). In addition, the IHM and IFM will provide

quarterly reports to the Respondent-Owners and to the Attorney General that assess Respondents' compliance with this AOD ("Quarterly Reports"). Within one week of the end of the IHM Term, the IHM will also provide a final report ("Final Report") to Respondents, the Attorney General, and the IFM. The Final Report shall contain the IHM's findings regarding the Nursing Home, including but not limited to areas of improvement, and recommendations for future expenditures, including with respect to Remaining Funds (as defined in Paragraph 75) in the Resident Care Fund. Together, the Violation Reports, the Quarterly Reports, and the Final Report shall be referred to as "Reports." The Attorney General may require that the IHM and/or IFM clarify or expand on the matters addressed in such Reports, and that Respondent-Owners and Van Duyn respond in writing to the Attorney General, the IHM, and the IFM regarding any aspect of said Reports. The IHM, IFM, and the Attorney General shall have access to copies of all Reports required to be prepared pursuant to this AOD. The IHM and IFM may report confidentially to the Attorney General.

95. Respondents agree to fully and promptly cooperate with the Attorney General with respect to any investigation by the Attorney General, and related proceedings and actions, of any person or entity, including but not limited to Van Duyn's current and former employees. This includes, without limitation, Van Duyn and Respondent-Owners using their best efforts to ensure that Van Duyn's officers, directors, employees, and agents fully and promptly cooperate with any such investigation and related proceedings and actions. Cooperation shall include, without limitation: (a) production by Van Duyn or its agents voluntarily and without service of subpoena or other formal demand of any information and all documents, including but not limited to surveillance camera video footage, and any other tangible evidence requested by the Attorney General (except where prohibited by statute), and any compilations or summaries of information or data that the Attorney General requests be prepared; (b) without service of subpoena or other

formal demand, directing Van Duyn’s officers, directors, employees, and agents to attend any proceedings at which the presence of any such persons is requested by the Attorney General and directing such persons to answer any and all inquiries that may be put by the Attorney General to any of them at any proceeding or otherwise (“proceeding” includes, but is not limited to, any meetings, interviews, depositions, hearings, grand jury sessions, trials, examinations, or other proceeding); (c) promptly, fully, fairly, and truthfully disclosing all information and producing all records, including but not limited to surveillance camera video footage, and other evidence in Respondents’ possession relevant to all inquiries made by the Attorney General concerning any fraudulent or criminal conduct whatsoever about which Respondents have any knowledge or information; and (d) not jeopardizing the safety of any detective or investigator or the confidentiality of any aspect of the Attorney General’s investigation, including sharing or disclosing evidence, documents, or other information with others during the course of the investigation, without the consent of the Attorney General. Nothing herein shall prevent Respondents from providing information to other government agencies or as otherwise required by law. Nothing set forth herein shall require Respondents or any officers, directors, employees and agents to provide information that is subject to the attorney-client or work product privileges that are well-founded in fact and law.

96. Respondent-Owners and Van Duyn will ensure that only records created by or at the behest of Van Duyn’s Quality Assurance Committee for quality assurance, and no other purposes, are shielded from law enforcement and regulatory review pursuant to the Quality Assurance Privilege, and they will refrain henceforth from raising, in response to the Attorney General’s 18 NYCRR § 504 letter requests or Executive Law § 63(12) subpoenas, any spurious

objections based on meritless purported assertions of the Quality Assurance Privilege, or any asserted privilege without a well-founded factual and legal basis.

97. Subject to Paragraphs 18 and 20, in the event that the Attorney General deems any of the Respondents have materially failed to comply with the AOD and such noncompliance is not cured by the Respondents, as determined by the Attorney General, within five (5) calendar days after receiving written notice thereof pursuant to Paragraph 114, the Attorney General may elect to require Respondents to extend the IHM Term and/or IFM Term for an additional period of up to two (2) years for any such determination, rescind this AOD, or take any other action authorized by law to remedy the deficiencies identified by the Attorney General. Respondent-Owners acknowledge that no alleged “staffing shortages,” “industry standard” practices, ongoing COVID-19 pandemic, or new pandemic or other infectious disease emergencies shall constitute any objection to extension of this AOD, any reason for filing a closure application pursuant to Paragraph 99, or any reason for modification of the AOD in any way. Respondents further agree that, in the event of a determination by the Attorney General of a material breach under this Paragraph, the Covered Conduct sets forth sufficient proof of unacceptable practices, as defined in 18 NYCRR § 515.2 and 18 NYCRR § 515.4, and sufficient grounds for imposition of sanctions under 18 NYCRR § 515.3, and immediate action under 18 NYCRR § 515.7, including but not limited to the sanction of exclusion under 18 NYCRR § 515.3(a)(1), and agree not to plead, argue, or raise any defenses under the theories of statute of limitations, laches, or estoppel to any civil claims or criminal prosecutions relating to the Covered Conduct except to the extent that such defenses were available as of the Effective Date.

98. At the potential end of the IHM Term, in accordance with Paragraph 18, if the IHM’s Quarterly Report in the final quarter of the third year of the IHM Term, or in the final

quarter of the fifth year of the IHM Term should Respondents not meet the criteria for a three-year IHM Term, in addition to the time the AOD may be tolled pursuant to Paragraphs 37, 46, and 69, finds that Respondents are in full compliance with their obligations under this AOD, the Parties will exchange writings to evidence that the IHM engagement is completed. Subject to Paragraphs 76–77, if at the end of the IFM Term, the IFM’s final Quarterly Report finds that Respondents are in compliance with their obligations under this AOD, the Parties will exchange writings to evidence that the IFM engagement is completed.

Section VI:

LIMITATIONS ON CHANGES IN OPERATION OF VAN DUYN

99. Except as expressly set forth herein, Respondent-Owners will operate Van Duyn as a skilled nursing facility and Respondent-Owners will retain an ownership interest in Van Duyn from the execution of this AOD until the expiration of this AOD, plus two (2) years, or if Respondent-Owners are excluded from the Medicaid or Medicare Programs, until the effective date of any change of ownership approved by the PHHPC (“Moratorium Period”). During the AOD Term, Respondent-Owners shall not file, nor cause to be filed, any application to close Van Duyn due to financial distress or financial expenditure, decline in patient census, reduction in services, or deterioration of its physical plant. Nor shall Respondent-Owners cause or suffer to be caused any act or series of acts or omissions to act that would close Van Duyn or lead to its closure due to financial distress or financial expenditure, decline in patient census, reduction in services, loss of licensure or certifications, or deterioration of its physical plant. Should Respondent-Owners close the Nursing Home for any reason, Respondent-Owners and Van Duyn shall transfer all of the remaining funds in the Resident Care Fund to New York’s Medicaid Program as restitution through a wire transfer to MFCU within five (5) calendar days of closure.

100. Given Respondents' agreement to enter into this AOD without the Attorney General having to file a civil action or special proceeding seeking meaningful reforms, the Respondents may apply for a waiver of the Moratorium Period in writing to the Attorney General on grounds solely limited to circumstances beyond the control of the Respondents. The Moratorium Period will be deemed waived only upon the written consent of the Attorney General. The Attorney General may condition such consent on additional terms in its sole discretion. The Attorney General would reasonably consider an application by Respondents' for a waiver of the Moratorium Period ("Waiver Application") under the following conditions: (i) Respondents have implemented all of the recommendations of the IHM and the IFM at the time of the Waiver Application; (ii) Respondents consulted with both the IHM and IFM regarding the Waiver Application and obtained the concurrence of both the IHM and IFM to such application; (iii) there is no balance in the Resident Care Fund; (iv) Respondents have a compelling financial reason for the proposed waiver of the Moratorium Period; and (v) the Respondents have provided full financial disclosure to the Attorney General, including any requested affidavits and testimony, to substantiate their compelling financial reason to waive the Moratorium Period. Any proposed new operators as set forth in any Certificate of Need shall confirm acceptance of this AOD on behalf of the proposed new licensed entity in a writing acceptable to the Attorney General.

101. Respondents shall not offer, accept, propose, or market Van Duyn for sale, or transfer any ownership interest therein, nor suffer any person to do the same, without causing and requiring the terms of such sale or transfer to include in writing adoption and continuation of all obligations under this AOD to the proposed buyer or transferee, including without limitation those in Paragraphs 82–83. During the AOD Term, and the two-year period during which Respondents have agreed to maintain staffing levels recommended by the IHM pursuant to Paragraph 27, any

such proposed sale or transfer shall be subject to the approval of the Attorney General, DOH, and the PHHPC, as applicable.

Extended Closure Notice

102. Respondent-Owners agree that, in the event that the closure or cessation of operations of Van Duyn is contemplated by Respondent-Owners, whether initiated by Respondent-Owners or any other person, they shall provide one hundred and twenty (120) calendar days' notice in writing to the Attorney General and DOH (the "Extended Closure Notice Period"). Said time period shall be independent of any other obligation under nursing home regulations as to notice of closure, including, but not limited to, the DOH Office of Health Systems Management Facility Closure Plan Guidelines, and 10 NYCRR §§ 401.3(g)–(j), and this obligation shall not supersede or replace any other notice required by law or regulation.

103. Under no circumstances shall Van Duyn be closed, in whole or in part, during said Extended Closure Notice Period, without the express written consent of DOH and the Attorney General, for any reason including, but not limited to, financial loss, financial hardship, or lost financial opportunity, to the Respondents.

104. Respondent-Owners agree that, in the event that the transfer of any ownership interest in Van Duyn is contemplated by the Respondent-Owners, whether initiated by Respondent-Owners or any other person, they shall provide ninety (90) calendar days' notice in writing to the Attorney General and DOH. Said time period shall be independent of any other obligation under nursing home regulations as to changes of ownership and this obligation shall not supersede or replace any other notice required by law or regulation.

105. Any notice required to be provided pursuant to Paragraph 104 shall include, to the extent known, the names of all business entities, related individuals, and the full terms of such transactions.

Section VII:

FORBEARANCES AND RELIEF

106. In consideration of the State entering into this AOD, Respondents release and forever discharge the State, including, but not limited to, MFCU and DOH, and any past or present employee or agent of the State, from any and all claims, debts, sums of money, contracts, agreements, damages, and liability of any kind or nature whatsoever, in law or in equity, which Respondents have had as of the date of this AOD arising out of the Covered Conduct and the MFCU Investigation.

107. Subject to the exceptions set forth in Paragraphs 97 and 109 and conditioned upon Respondents' full compliance with, and successful completion of, all terms and conditions of this AOD, including for the duration of any extended term, the State releases Respondents, together with all of their trustees, servants, employees, and assigns from any and all civil monetary causes of action that the State has for the Covered Conduct under Executive Law §§ 63(12) and 63-c; New York Social Services Law § 145-b; the New York False Claims Act, New York State Finance Law § 187 *et seq.*; the Public Health Law; or the common law or equitable theories of payment by mistake, disgorgement, unjust enrichment, and breach of contract.

108. Upon full compliance with, and successful completion of, all terms and conditions of this AOD, including for the duration of any extended term, the Attorney General shall not oppose an application by Respondents or any of their affiliates for the purchase of any other healthcare facility on the grounds of the Covered Conduct or this AOD. The Respondents

acknowledge that certain licensing applications require approval by the PHHPC, and the Attorney General cannot require the PHHPC to approve such applications.

109. Notwithstanding any term of this AOD, the State does not release any person or entity from any of the following liabilities:

- a. Any civil, criminal, or administrative liability arising under state tax laws;
- b. Any administrative liability, including mandatory or permissive exclusion from the Medicaid and/or Medicare Programs;
- c. Any state administrative liability for overpayments from rate audits for cost reports;
- d. Any state administrative liability for violations of PHL § 2895-b for the second, third, and fourth quarters of 2022, for violations of PHL § 2895-b for 2023 or 2024, and PHL § 2828;
- e. Any liability to the State of New York (or its agencies) for any conduct other than the Covered Conduct; and
- f. Any liability based on the obligations set forth in this AOD.

Persons Not Parties to This AOD

110. Nothing in this AOD shall relieve Respondents' obligations as imposed by any applicable state or federal law or regulation, or other applicable law, except as specifically set forth herein.

111. This AOD shall not confer any rights upon any persons or entities other than the State, the Attorney General, DOH, and Respondents. Nothing in this AOD shall be deemed or interpreted to create any third-party beneficiaries or third-party rights of action, or confer any rights in any third parties to enforce the terms of this AOD.

112. Nothing in this AOD shall be construed as limiting the rights or authority of MFCU, DOH, OMIG, or any other state agency to engage in any and all activities to which they are legally entitled.

113. This AOD is binding upon all Parties and upon the assigns, heirs, transferees, purchasers and any successors-in-interest of the Respondents.

Section VIII:

NOTICE, TERM OF ASSURANCE OF DISCONTINUANCE, AND OTHER PROVISIONS

114. Respondents agree that service upon their counsel will be deemed good and sufficient service for purposes of notice and/or the commencement by the Attorney General of any future proceeding in connection with this AOD. Respondents agree to notify the Attorney General of any change in counsel or designated agent for service of process immediately. Any notices pursuant to this AOD shall be in writing and shall, unless expressly provided otherwise herein, be given by hand delivery or express courier, with a simultaneous delivery by electronic mail, at the addresses designated below:

IF TO THE ATTORNEY GENERAL:

New York State Attorney General
Medicaid Fraud Control Unit
Attn: Amy Held, Director
Medicaid Fraud Control Unit
28 Liberty Street
New York, NY 10005
Tel.: 212-417-5250
Email: MFCUNotices@ag.ny.gov

IF TO RESPONDENTS:

Ilan T. Graff, Esq.
Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, NY 10004

Phone: 212-859-8931
Email: Ilan.Graff@friedfrank.com

Paul G. Ferrara, Esq.
Costello Cooney and Fearon, PLLC
211 W. Jefferson St., Ste. 1
Syracuse, NY 13202
Phone: 315-422-1152
Email: pferrara@ccf-law.com

115. In any proceeding or action relating to this AOD, email transmission of a copy of any papers to the persons set forth herein, with telephone confirmation of receipt, shall be deemed good and sufficient service on Respondents.

116. Each Respondent will notify MFCU of any change of such Respondent's residence and business addresses within ten (10) calendar days of such change.

117. Any notice to the Attorney General under this AOD, including any determination subject to approval by the Attorney General, shall be given with sufficient time as expressly set forth in this AOD, to exercise review and consideration of the determination to be made. In no event shall the Attorney General's silence on an issue requiring the Attorney General's consent be deemed consent, waiver, or approval. Notwithstanding the foregoing, the Attorney General shall not unreasonably delay review of the application for any such consent, waiver, or approval.

Explicit Conditions Precedent to Performance by the State

118. The Respondents' obligations under this AOD are explicit conditions precedent to the relief granted by the State in Paragraph 107, and, in the event the Respondents violate such conditions, the State shall be relieved of the obligations set forth in Paragraph 107, and may pursue all civil, criminal, and administrative remedies otherwise available under the law. Nothing herein shall be deemed an admission by Respondents that such claim is valid or that the Attorney General is entitled to any such remedy. Notwithstanding such violations and action by the State, Respondents' obligations hereunder shall remain in full force and effect.

Term of This Assurance of Discontinuance

119. The effective date of this AOD is the date that the last signatory executes this AOD (the “Effective Date”). The term of this AOD shall be from the Effective Date through the end of the expiration of the IFM Term and IHM Term, including any Replacement IHM and/or Replacement IFM Term, whichever is later (the “AOD Term”), subject to Paragraph 18.

120. Nothing in this AOD shall relieve Respondents of other obligations imposed by any applicable state or federal law or regulation or other applicable law.

121. This AOD shall be governed by, and construed in accordance with, the laws of the State of New York without regard to choice of law or conflict of laws principles. Any action by the Attorney General to enforce the terms of this AOD and any action of the Respondents in relation to this AOD shall be brought in Supreme Court, Onondaga County (“Court”). The Parties waive any objection that any of them may now have or hereafter may have to this venue, and waive any objections based on personal jurisdiction, whether concerning this AOD or for any related suit, action, or proceeding, and irrevocably consent to the jurisdiction of the Court and shall accept and acknowledge service upon a designated agent in any such suit, action, or proceeding.

122. Respondents consent to the designation of Respondents’ counsel identified in Paragraph 114 as their agent for service of process in any proceeding to enforce this AOD. Such agent may not be changed or revoked except by a written amendment executed by the Attorney General.

123. Any omission or determination by the Attorney General, DOH, or any agency of the State of New York to excuse or fail to act to require the strict performance by Respondents of any of the provisions of this AOD shall not be deemed a waiver of any of the provisions hereof, and the State and DOH, notwithstanding such lapse, shall have the right thereafter to insist upon

the strict performance of any and all of the provisions of this AOD to be performed by Respondents.

124. This AOD contains the entire agreement and understanding of the Parties. There are no additional promises or terms of the AOD other than those contained herein. The terms or provisions of this AOD may not be changed, waived, modified, or varied in any manner whatsoever unless in a writing duly signed by all Parties.

125. The AOD may be executed in one or more counterparts, whether original, or by facsimile or portable document format (.pdf), each of which shall be deemed an original, and all executed counterparts shall be deemed to be one and the same instrument. Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this AOD. Respondents will send the Attorney General inked signature pages, which shall be maintained by the Attorney General.

126. The AOD shall be deemed to have been mutually prepared by the Parties hereto and shall not be construed against any of them solely by reason of authorship.

127. Respondents acknowledge that they have entered this AOD freely and voluntarily and upon due deliberation with the advice of counsel. Respondents agree that the conduct revealed by the MFCU Investigation exposed Respondents to substantial liability and that the forbearances and other terms granted by the State are valuable consideration for Respondents' payments and other obligations hereunder.

128. Respondents and their affiliates, officers, directors, agents, trustees, or employees agree not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any finding in the AOD or creating the impression that this AOD is without factual basis. Nothing in this Paragraph affects Respondents': (a) testimonial obligations, or (b) right to

take legal or factual positions in defense of litigation or other legal proceedings to which the Attorney General, the Commissioner of Health, or OMIG are not a party.

129. The Attorney General may delegate any power or function hereunder to Deputy Attorneys General, Special Assistant Attorneys General, or other agents appointed pursuant to the Attorney General's authority and may delegate any right or oversight function to a different state agency or officer. Respondents may not transfer or delegate any duty or obligation without written consent of the Attorney General.

130. In the event that one or more of the provisions contained in this AOD shall for any reason be held invalid, illegal, or unenforceable in any respect, Respondents shall not assert that such invalidity, illegality, or unenforceability affect any other provision of this AOD.

This AOD shall remain effective notwithstanding the death or incapacity of any individual, or any appeal, collateral attack, or any challenge to any criminal conviction, plea, or sentencing of any individual, including, but not limited to, the reversal, modification, or dismissal or all or any portion of such conviction and sentence, or the conviction, plea or sentencing of any person.

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WHEREFORE, the Parties have read the foregoing AOD and accept and agree to the provisions contained herein and hereby have caused this AOD to be signed as of the dates adjacent to the Parties' respective signatures.

LETITIA JAMES
Attorney General of the State of New York

BY: 
AMY HELD
Director, Medicaid Fraud Control Unit

Dated: August 18, 2025

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

EFRAIM STEIF, individually and on behalf of VDRNC, LLC, 5075 WEST SENECA, LLP, UPSTATE SERVICES GROUP LLC, and UPSTATE SK LLC


By: 
Efraim Steif

Dated: 8/15/25

STATE OF NEW YORK

COUNTY OF Rockland :

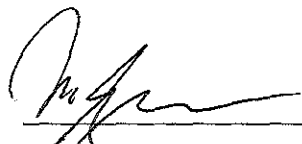
On the 15th day of August, in the year 2025, before me personally came Efraim Steif, to me known, and known to me to be the individual described in, and who executed the foregoing instrument, and duly acknowledged to me that he executed the same.


NOTARY PUBLIC

STATE OF NEW YORK

COUNTY OF Rockland :

On the 15th day of August, in the year 2025, before me personally came Efraim Steif, known to me, who being by me duly sworn, did depose and say that he resides in Rockland County, New York; that he is the owner of VDRNC, LLC, 5075 WEST SENECA, LLP, UPSTATE SERVICES GROUP LLC, and UPSTATE SK LLC, the entities described herein and which executed the instant instrument; and that by his signature on the instrument VDRNC, LLC, 5075 WEST SENECA, LLP, UPSTATE SERVICES GROUP LLC, and UPSTATE SK LLC executed the instrument.


NOTARY PUBLIC



URI KOENIG, individually and on behalf of VDRNC, LLC, 5075 WEST SENECA, LLP,
UPSTATE SERVICES GROUP LLC, and UPSTATE SK LLC

By: 
Uri Koenig

Dated: 8/15-25

STATE OF NEW YORK

COUNTY OF Rockland :


On the 15th day of August, in the year 2025, before me personally came Uri Koenig, to me known, and known to me to be the individual described in, and who executed the foregoing instrument, and duly acknowledged to me that he executed the same.


NOTARY PUBLIC

STATE OF NEW YORK


COUNTY OF Rockland :

On the 15th day of August, in the year 2025, before me personally came Uri Koenig, known to me, who being by me duly sworn, did depose and say that he resides in Rockland County, New York; that he is the owner of VDRNC, LLC, 5075 WEST SENECA, LLP, UPSTATE SERVICES GROUP LLC, and UPSTATE SK LLC, the entities described herein and which executed the instant instrument; and that by his signature on the instrument VDRNC, LLC, 5075 WEST SENECA, LLP, UPSTATE SERVICES GROUP LLC, and UPSTATE SK LLC executed the instrument.


NOTARY PUBLIC



DAVID CAMEROTA, individually

By: 
David Camerota

Dated: 8/15/25

STATE OF NEW YORK

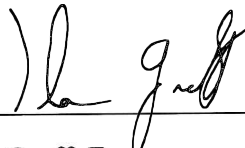
COUNTY OF Oswego:

On the 15 day of August, in the year 2025, before me personally came David Camerota, to me known, and known to me to be the individual described in, and who executed the foregoing instrument, and duly acknowledged to me that he executed the same.

BETSY GAZDA
Notary Public, State of New York
No. 01GA6445319
Qualified in Oswego County
Commission Expires 12/19/2026


NOTARY PUBLIC


Approved as to Form:



Dated: 08/18/25

Ilan T. Graff, Esq.
Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, NY 10004
Phone: 212-859-8931

*Counsel for Respondents Efraim Steif, Uri Koenig, VDRNC, LLC, 5075 West Seneca, LLP,
Upstate Services Group LLC, and Upstate SK LLC*



Dated: 8-18-25

Paul G. Ferrara, Esq.
Costello Cooney and Fearon, PLLC
211 W. Jefferson St., Ste. 1
Syracuse, NY 13202
Phone: 315-422-1152
Counsel for Respondent David Camerota

EXHIBIT A

November, 2020

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MAR

August, 2021

Order Details	Hours	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Ascorbic Acid Tab 500 MG, 1.00, Tablet(s), By mouth, From Jul 27, Every Day - In the Morning, Supplement Order Date: Jul 27, 2021 D/C: Sep 30, 2021	1000	✓ FgHn	✓ MiOf	✓ KrLL	✓ RiRt	✓ JmCs	✓ MiOf	✓ KrLL	✓ KrLL	✓ MiOf	✓ RiRt	✓ MiOf	✓ KrLL	✓ MiCr	✓ FgHn	✓ JqMr	✓ MiOf	✓ KrLL	✓ KrLL	✓ KrLL	✓ MiOf	✓ JqMr	✓ JqMr	✓ MiOf	✓ KrLL	✓ MiOf	✓ JaOv	✓ BaBn	✓ MiOf	✓ KrLL	✓ MiOf	✓ EoGa
Aspirin Tab 81 MG, 1.00, Tablet(s), By mouth, From Jul 27, Every Day - In the Morning, Atherosclerotic heart disease of native coronary artery without angina pectoris Order Date: Jul 27, 2021 D/C: Jan 04, 2022	1000	✓ FgHn	✓ MiOf	✓ KrLL	✓ RiRt	✓ JmCs	✓ MiOf	✓ KrLL	✓ KrLL	✓ MiOf	✓ RiRt	✓ MiOf	✓ KrLL	✓ MiCr	✓ FgHn	✓ JqMr	✓ MiOf	✓ KrLL	✓ KrLL	✓ KrLL	✓ MiOf	✓ JqMr	✓ JqMr	✓ MiOf	✓ KrLL	✓ MiOf	✓ JaOv	✓ BaBn	✓ MiOf	✓ KrLL	✓ MiOf	✓ EoGa
Carvedilol Tab 25 MG, 1.00, Tablet(s), By mouth, From Jul 27, Every 12 Hours (Q12 hours), Give with food, Essential (primary) hypertension Order Date: Jul 27, 2021 D/C: Jan 04, 2022	0900	✓ FgHn	✓ MiOf	✓ KrLL	✓ RiRt	✓ JmCs	✓ MiOf	✓ KrLL	✓ KrLL	✓ MiOf	✓ RiRt	✓ MiOf	✓ KrLL	✓ MiCr	✓ FgHn	✓ JqMr	✓ MiOf	✓ KrLL	✓ KrLL	✓ KrLL	✓ MiOf	✓ JqMr	✓ JqMr	✓ MiOf	✓ KrLL	✓ MiOf	✓ JaOv	✓ BaBn	✓ MiOf	✓ KrLL	✓ MiOf	✓ EoGa
	2100	✓ MiOf	✓ MiOf	✓ EoGa	✓ MiOf	✓ SnTf	✓ MiOf	✓ KrLL	×	✓ MiOf	✓ RiRt	✓ MiOf	✓ RiCi	✓ KrLL	✓ MiOf	✓ MiOf	✓ MiOf	✓ EoGa	✓ MhGd	✓ JmCs	✓ MiOf	✓ EoGa	✓ EoGa	✓ MiOf	✓ JmCs	✓ MiOf	✓ MiOf	✓ AACr	✓ MiOf	✓ MiOf	×	✓ EoGa
Cholecalciferol Tab 2000 Unit, 2.00, Tablet(s), By mouth, From Jul 27, Every Day - In the Morning, Supplement Order Date: Jul 27, 2021 D/C: Sep 30, 2021	1000	✓ FgHn	✓ MiOf	✓ KrLL	✓ RiRt	✓ JmCs	✓ MiOf	✓ KrLL	✓ KrLL	✓ MiOf	✓ RiRt	✓ MiOf	✓ KrLL	✓ MiCr	✓ FgHn	✓ JqMr	✓ MiOf	✓ KrLL	✓ KrLL	✓ KrLL	✓ MiOf	✓ JqMr	✓ JqMr	✓ MiOf	✓ KrLL	✓ MiOf	✓ JaOv	✓ BaBn	✓ MiOf	✓ KrLL	✓ MiOf	✓ EoGa
Flomax Oral Capsule 0.4 MG, 1.00, Capsule(s), By mouth, From Jul 27, Every Day - In the Morning, Do not crush or chew, Retention of urine, unspecified Order Date: Jul 27, 2021 D/C: Jan 04, 2022	1000	✓ FgHn	✓ MiOf	✓ KrLL	✓ RiRt	✓ JmCs	✓ MiOf	✓ KrLL	✓ KrLL	✓ MiOf	✓ RiRt	✓ MiOf	✓ KrLL	✓ MiCr	✓ FgHn	✓ JqMr	✓ MiOf	✓ KrLL	✓ KrLL	✓ KrLL	✓ MiOf	✓ JqMr	✓ JqMr	✓ MiOf	✓ KrLL	✓ MiOf	✓ JaOv	✓ BaBn	✓ MiOf	✓ KrLL	✓ MiOf	✓ EoGa
Gabapentin Cap 300 MG, 1.00, Capsule(s), By mouth, From Jul 27, Daily At Bedtime (Q HS), Omnicell, Pain Order Date: Jul 27, 2021 D/C: Jan 04, 2022	2200	✓ MiOf	✓ MiOf	✓ EoGa	✓ MiOf	✓ SnTf	✓ MiOf	✓ KrLL	×	✓ MiOf	✓ RiRt	×	✓ RiCi	✓ KrLL	✓ MiOf	✓ MiOf	✓ MiOf	✓ EoGa	✓ MhGd	✓ JmCs	✓ MiOf	✓ EoGa	✓ EoGa	×	✓ JmCs	✓ MiOf	✓ MiOf	✓ AACr	✓ MiOf	×	✓ MiOf	✓ EoGa